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SERVICE LIST

TO: Cross-Claim Defendants:

[redacted] Vladimir Vinogradov, [redacted] b6 b7C

[redacted]

c/o Christy & Viener
620 Fifth Ave,
New York, NY 10020

TO: Third Party Defendants:

[redacted]

c/o Christy & Viener
620 Fifth Ave,
New York, NY 10020

[redacted] b6 b7C

c/o Christy & Viener
620 Fifth Ave,
New York, NY 10020

[redacted]

c/o Christy & Viener
620 Fifth Ave,
New York, NY 10020

Law firm of Christy & Viener
Christy & Viener
620 Fifth Ave,
New York, NY 10020

Kudos Holdings, Ltd., f/k/a Kudos Investments, Ltd., Inwesta Establishment, a/k/a "Vestina", First Ten, S.A., Walesdon Financial Company, Laurel Finance, Ltd., Aspiration Holdings, Ltd., Linkvale, Ltd., Prontoservus, Ltd., Manitesser Co. Ltd., [redacted] Adviso Trust Co. Ltd., Sayser Management, Ltd., Nashua Trading Corp., [redacted] b6 b7C [redacted] InkomCapital, Ltd. a/k/a Alpha Consulting Group, Ltd., and [redacted] 11-20,
c/o Christy & Viener
620 Fifth Ave,
New York, NY 10020

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[redacted] Esq.,

Plaintiff,

- against -

Joint Stock Bank INKOMBANK, Vladimir Vinogradov, [redacted]

Defendants.

Joint Stock Bank Inkombank,

Counterclaim Plaintiff,

- against -

[redacted] Esq.,

Counterclaim Defendant,

- and -

[redacted] Fishkin & Reid, Omega Brokerage Services, Inc., Foreign Investors Portfolio Management, Inc., [redacted] and John Does 1-10,

Additional Counterclaim Defendants.

[redacted] Esq.,

Third Party Plaintiff ,

- against -

[redacted] Vladimir Vinogradov, [redacted]

Cross-Claim Defendants,

- and-

Kudos Holdings, Ltd., f/k/a Kudos Investments, Ltd., Inwesta Establishment, a/k/a "Vestina", [redacted] Christy & Viener, First Ten, S.A., Walesdon Financial Company, Laurel Finance, Ltd., Aspiration Holdings, Ltd., Linkvale, Ltd., Prontoservus, Ltd., Manitesser Co. Ltd., [redacted] Adviso Trust Co. Ltd., Savser Management, Ltd., Nashua Trading Corp., [redacted] InkomCapital, Ltd. a/k/a Alpha Consulting Group, Ltd., and John Does 11-20,

Third Party Defendants.

Case No. 95 Civ. 0796 (KTD)

ANSWER, CROSS-CLAIM AND THIRD PARTY COMPLAINT

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ANSWER TO THE FIRST AMENDED COUNTERCLAIM

[redacted] captioned as "additional counterclaim defendant" (hereinafter referred to as [redacted] Esq.", or "Third Party Plaintiff"), appearing pro se, as and for the answer to the first amended counterclaim ("Counterclaim") respectfully alleges as follows:

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I. Denies any and all allegations of liability to defendant Joint Stock Bank Inkombank ("Inkombank") on the part of third party plaintiff.

II. Denies any and all allegations of wrongdoing on the part of third party plaintiff.

III. As and for the specific answers respectfully alleges as follows:

ANSWER TO THE SECTION OF COUNTERCLAIM: JURISDICTION AND VENUE

1. Denies the allegations contained in para 1 of the counterclaim.

2. Denies the allegations contained in para 2 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE PARTIES

3. Upon information and belief, admits the allegations contained in para 3 of the counterclaim.

4. Admits the allegations contained in para 4 of the counterclaim, except, upon information and belief, denies that plaintiff was responsible, for establishing and overseeing Inkombank's United banking operations.

5. Admits the allegations contained in para 5 of the counterclaim.

6. Admits the allegations contained in para 6 of the counterclaim.

7. Denies the allegations contained in para 7 of the counterclaim, except admits the portions alleging (a) [redacted] offices are located at 15 Penn Plaza, New York, NY, which is the same building as 401 Seventh Avenue where [redacted] maintains an office", (b) [redacted] and (c) upon information and belief, admits that "Inkombank knows of no formal connection between [redacted] and that (d) upon information and belief, admits that Emanuel E. Zeltser and Associates is a law firm which maintains an address at 2 Penn Plaza.

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8. Denies the allegations contained in para 8 of the counterclaim, except, upon information and belief, admits that [redacted] residing in New York and, upon information and belief, is or was Omega's corporate secretary.

9. Upon information and belief, denies the allegations contained in para 9 of the counterclaim, except, upon information and belief, admits that [redacted] at one time was a nominal officer of FIPM.

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10. Denies the allegations contained in para 10 of the counterclaim, except, upon information and belief, admits that Omega Brokerage Service is a Marshall Islands corporation, having the addresses as set forth in the counterclaim.

11. Denies the allegations contained in para 11 of the counterclaim, except, upon information and belief, admits that FIPM is a Marshall Islands corporation, having the addresses as set forth in the counterclaim.

12. State that third party plaintiff has no knowledge sufficient to admit or deny the allegations contained in para 12 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: NATURE OF THE ACTION

13. Denies the allegations contained in para 13 of the counterclaim.

14. Denies the allegations contained in para 14 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: FACTUAL ALLEGATIONS

15. Upon information and belief, admits that Inkombank is now one of Russia's largest banks, and states that third party plaintiff has no knowledge sufficient to admit or to deny the other allegations contained in para 15.

16. Upon information and belief, denies the allegations contained in para 16 of the counterclaim.

17. Upon information and belief, denies the allegations contained in para 17 of the counterclaim, except, upon information and belief, admits that plaintiff [redacted] b6 b7C [redacted] Esq. represented defendant Inkombank in an action against Citibank.

18. Upon information and belief, denies the allegations contained in para 18 of the counterclaim.

19. Upon information and belief, denies the allegations contained in para 19 of the counterclaim.

20. States that third party plaintiff has no knowledge sufficient to admit or deny the allegation contained in para 20.

21. States that third party plaintiff has no knowledge sufficient to admit or deny the allegation contained in para 21.

22. Upon information and belief, denies the allegations contained in para 22 of the counterclaim.

23. Upon information and belief, denies the allegations contained in para 23 of the counterclaim.

24. Upon information and belief, denies the allegations contained in para 24 of the counterclaim.

25. Denies the allegations contained in para 25 of the counterclaim.

26. Upon information and belief, denies the allegations contained in para 26 of the counterclaim.

27. Denies the allegations contained in para 27 of the counterclaim.

28. Upon information and belief, denies the allegations contained in para 28 of the counterclaim.

29. States that third party plaintiff does not have knowledge sufficient to admit or deny the allegations contained in para 29 of the counterclaim, except, upon information and belief, denies the portion "Hoverwood Limited is a wholly-owned subsidiary of Inkombank"

30. Denies the allegations contained in para 30 of the counterclaim, and/or has no knowledge sufficient to admit or deny the allegations, except, upon information and belief, admits that Omega and FIPM maintained accounts at Smith Barney Shearson.

31. Denies the allegations contained in para 31 of the counterclaim.

32. Denies the allegations contained in para 32 of the counterclaim.

33. Denies the allegations contained in para 33 of the counterclaim.

34. Denies the allegations contained in para 34 of the counterclaim.

35. Denies the allegations contained in para 36 of the counterclaim, except states that third party plaintiff does not have sufficient knowledge to properly respond to the alleged transfer.

36. Denies the allegations contained in para 36 of the counterclaim.

37. Upon information and belief, denies the allegations contained in para 37 of the counterclaim.

38. Upon information and belief, denies the allegations contained in para 38 of the counterclaim.

39. Upon information and belief, denies the allegations contained in para 39 of the counterclaim, except states, that third party plaintiff may not properly respond to the portion alleging that [redacted] authorized the transfer to Chemical Bank in a letter to Redfern dated February 7, 1994" until discovery is had to determine that defendant Inkombank's alleged knowledge is not obtained by unlawful and/or fraudulent means. b6 b7C

40. Upon information and belief, denies the allegations contained in para 40 of the counterclaim.

41. States that third party plaintiff does not have knowledge sufficient to admit or deny the allegations contained in para 41 of the counterclaim.

42. Denies the allegations contained in para 42 of the counterclaim.

43. Upon information and belief, denies the allegations contained in para 43 of

the counterclaim except, upon information and belief, admits that defendant made false complaints against plaintiff and third party plaintiffs.

44. Allegations contained in para 44 of the counterclaim, refer to plaintiff's state of mind and require no response.

45. State that third party plaintiff has no sufficient knowledge to respond to the allegations para 45 of the counterclaim, except states that the portion of the allegations pertaining to "female operatives", or "operatives" is improper as to the form and, thus, requires no answer, and further states, that third party plaintiff and, upon information and belief, plaintiff has no "female operatives"payroll positions, hence, third party plaintiff is not aware who defendant Inkombank purports to refer to.

46. Denies the allegations contained in para 46 of the counterclaim, except admits that the transfer to [redacted] occurred. b6 b7C

47. Denies allegations contained in para 47 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE FIRST CAUSE OF ACTION: Common Law Fraud/Aiding and Abetting Fraud

48. Third party plaintiff repeats and realleges as if fully set forth herein the answers contained in the foregoing paragraphs.

49. Admits the allegations contained in para 49 of the counterclaim, except states, that plaintiff had duty of loyalty to defendant Inkombank at the time it was a legitimate commercial entity, not to the group which corrupted it and turned it into an unlawful enterprise.

50. Upon information and belief, denies the allegations contained in para 50 of

the counterclaim, except, upon information and belief, states that [redacted] Esq. has no sufficient knowledge to respond to the allegations pertaining to plaintiff's representations with regard to his state of mind. b6 b7C

51. Upon information and belief, denies the allegations contained in para 51 of the counterclaim, except, upon information and belief, states that third party plaintiff has no sufficient knowledge to respond to the allegations pertaining to plaintiff's representations with regard to his state of mind.

52. States that third party plaintiff has no sufficient information to respond to the allegations of para. 52 of the counterclaim (if any), except states that the portion of the allegations pertaining to [redacted] operatives", or "operatives" is improper as to the form and, thus, requires no answer, and further states, that third party plaintiff and, upon information and belief, plaintiff has no "operative" payroll positions, hence, third party plaintiff is not aware who defendant Inkombank purports to refer to. b6 b7C

53. Denies the allegations of any wrongdoing contained in para 53 of the counterclaim (if any).

54. Upon information and belief, denies the allegations contained in para 54 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE SECOND CAUSE OFACTION: Conversion

55. Third party plaintiff repeats and realleges the answers contained in the foregoing paragraphs as if set forth fully herein.

56. Denies the allegations contained in para 56 of the counterclaim.

57. Denies the allegations contained in para 57 except admits that certain improper demands for money were made by defendant Inkombank.

58. Denies the allegations contained in para 58 of the counterclaim.

59. Denies the allegations contained in para 59 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE THIRD CAUSE OF ACTION: Unjust Enrichment.

60. [redacted] Esq. repeats and realleges the answers contained in the foregoing paragraphs as if fully set forth herein. b6 b7C

61. Denies the allegations contained in para 61 of the counterclaim.

62. Denies the allegations contained in para 62 of the counterclaim.

63. Denies the allegations contained in para 62 of the counterclaim.

64. Denies the allegations contained in para 64 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE FOURTH CAUSE OF ACTION: Money had and received

65. Third party plaintiff repeats and realleges the answers contained in the foregoing paragraphs as though fully set forth herein.

66. Denies the allegations contained in para 66 of the counterclaim.

67. Denies the allegations contained in para 67 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE FIFTH CAUSE OF ACTION: Constructive Trust.

68. Third party plaintiffs repeat and reallege the allegations contained in the foregoing paragraphs as though fully set forth herein.

69 - 71. Denies the allegations contained in paras 69-71 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE SIXTH CAUSE OF ACTION: Breach of Fiduciary Duty /Aiding and Abetting Said Breach.

72. Third party plaintiff repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

73. Admits the allegations contained in para 73 of the counterclaim, except states, that plaintiff had duty of loyalty to defendant Inkombank at the time it was a legitimate commercial entity, not to the group which corrupted it and turned it into an unlawful enterprise.

74 - 76. Denies the allegations contained in paras 74-76 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM:
THE SEVENTH CAUSE OF ACTION: Legal malpractice.

77. Third party plaintiff repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

78. Admits the allegations contained in para 78 of the counterclaim, except states, that plaintiff had the duty of loyalty to defendant Inkombank at the time it was a

legitimate commercial entity, not to the group which corrupted it and turned it into an unlawful enterprise.

79 - 80. Upon information and belief, denies the allegations contained in paras 79-80 of the counterclaim.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE EIGHTH CAUSE OF ACTION: RICO, 18 U.S.C. Section 1962(a).

81. Third party plaintiff repeats and realleges he allegations contained in the foregoing paragraphs as if set forth fully herein.

82 - 101. The allegations in paras 82-101 contain conclusions of law requiring no answer with the exception of any and all allegations of wrongdoing or liabilities to Inkombank which are denied; except third party plaintiff admits sending a letter to defendant Vinogradov denying that Inkombank was defrauded and indicating that Inkombank is indebted to the clients of Fishkin & Reid and, further, states that third party plaintiff does not have sufficient knowledge to respond to the rest of specific instances.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE NINTH CAUSE OF ACTION: RICO, 18 U.S.C. Section 1962(b).

102. Third party plaintiff repeats and realleges the allegations contained in the foregoing paragraphs as if set forth fully herein.

103 - 121. The allegations in paras 100-121 contain conclusions of law requiring no answer with the exceptions of any allegations of wrongdoing or liabilities to Inkombank which are denied.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE TENTH CAUSE OF ACTION: RICO, 18 U.S.C. Section 1962(c).

122. Third party plaintiff repeats and realleges the allegations contained in the foregoing paragraphs as if set forth fully herein.

123 - 149. The allegations in paras 100-121 contain conclusions of law requiring no answer with the exceptions of any allegations of wrongdoing or liabilities to Inkombank which are denied.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE ELEVENTH CAUSE OF ACTION: RICO, 18 U.S.C. Section 1962(d).

150. Third party plaintiff repeats and reallege the allegations contained in the foregoing paragraphs as if set forth fully herein.

151 - 153. The allegations in paras 151-153 contain conclusions of law requiring no answer with the exceptions of any allegations of wrongdoing or liabilities to Inkombank which are denied.

ANSWER TO THE SECTION OF COUNTERCLAIM: THE TWELFTH CAUSE OF ACTION: Section 487 of the New York State Judiciary Law.

154. Third party plaintiff repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

155 - 158. Denies the allegations contained in paras 155-158 of the counterclaim except admits that [redacted] was retained by Inkombank to act as its legal counsel and, further, [redacted] are licensed to practice law in the

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State of New York.

FIRST AFFIRMATIVE DEFENSE

159. Defendant Inkombank failed to acquire jurisdiction over the third party plaintiff.

SECOND AFFIRMATIVE DEFENSE

160. The counterclaim is barred by the doctrine of accord and satisfaction and, further, barred by agreements between the parties.

THIRD AFFIRMATIVE DEFENSE

161. The counterclaim is barred by reason of Inkombank's, its officers', employees', offshore companies-subsidiaries', agents and attorneys' unclean hands.

FOURTH AFFIRMATIVE DEFENSE

162. The counterclaim fails to state a claim upon which relief can be granted.

FIFTH AFFIRMATIVE DEFENSE

163. The counterclaim is barred by the doctrines of waiver and estoppel.

SIXTH AFFIRMATIVE DEFENSE

164. The counterclaim is barred by reason that the sole and proximate cause of defendant's damages, if any, was the illegal conduct of its defendant officers and their counsel Christy & Viener, not of the answering "additional counterclaim defendant", and respectfully refers to the annexed cross-claim and third party complaint.

SEVENTH AFFIRMATIVE DEFENSE

165. The action involving substantially same issues and parties is currently pending in the Supreme Court of the State of New York.

EIGHTH AFFIRMATIVE DEFENSE

166. Defendant Inkombank failed to implead necessary and indispensable parties.

NINTH AFFIRMATIVE DEFENSE

167. [redacted] may not act as attorneys against "additional counterclaim defendant" [redacted] because [redacted] were attorneys for [redacted] in the matter substantially related to the within controversy. b6 b7C

TENTH AFFIRMATIVE DEFENSE

168. The counterclaim is barred because the action was brought in bad faith to obtain object not intended by law.

ELEVENTH AFFIRMATIVE DEFENSE

169. The counterclaim is barred, in whole or in part, by applicable statutes of limitations.

TWELFTH AFFIRMATIVE DEFENSE

170. Defendant Inkombank's officers and their counsel lack legal capacity to sue on behalf of Inkombank.

THIRTEENTH AFFIRMATIVE DEFENSE

171. Counterclaim is barred because the information used in framing the latter has been obtained by unlawful means.

CROSS-CLAIM AND THIRD PARTY COMPLAINT

[redacted] Esq., attorney duly admitted to practice in the State of New York, appearing pro se, as and for his Cross-Claims, pursuant to Rule 13 of the Federal Rules of Civil Procedure, against [redacted] Vladimir b6 b7C

Vinogradov ("Vinogradov"), [redacted] b6 b7C [redacted] (collectively "Cross-Claim Defendants" or "Defendant Officers"), and as and for his Third Party Complaint, pursuant to Rule 14 of the Federal Rules of Civil Procedure, against Kudos Holdings, Ltd., f/k/a Kudos Investments, Ltd., Inwesta Establishment, a/k/a "Vestina", [redacted] b6 b7C (collectively [redacted] First Ten, S.A., Walesdon Financial Company, Laurel Finance, Ltd., Aspiration Holdings, Ltd., Linkvale, Ltd., Prontoservus, Ltd., Manitesser Co. Ltd., [redacted] b6 b7C Adviso Trust Co. Ltd., Savser Management, Ltd., Nashua Trading Corp., [redacted] InkomCapital, Ltd. a/k/a Alpha Consulting Group, Ltd., and John Does 11-20 ("Collectively "Third Party plaintiffs"), respectfully alleges as follows:

1. Defendant Joint Stock Bank Inkombank ("Inkombank") has filed against original plaintiff [redacted] Esq. ("Plaintiff") and [redacted] Esq., [redacted] b6 b7C [redacted] Esq., [redacted] Omega Brokerage Services, Inc., Foreign Investors Portfolio Management, Inc., [redacted] and John Does 1-10, captioned as "Additional Counterclaim Defendants", the First Amended Counterclaim a copy of which is attached hereto as "Exhibit 1".

2. Third party plaintiff respectfully files this cross-claim and third party complaint against cross-claim defendants and third party defendants for indemnity upon

the following grounds:

PARTIES

3. Defendant Counterclaimant Joint-Stock Bank Inkombank ("Defendant Inkombank") is a Russian joint stock company licensed as a commercial bank in the Russian Federation. While originally, upon information and belief, operating as a legitimate commercial entity, currently defendant Inkombank is (as are virtually all Russian banks) in the midst of a severe internal power struggle fueled by various Russian mob factions and certain corrupt Russian Government officials.

4. Crossclaim defendants ("Defendant Officers"), all of whom are Russian residents, constitute collectively a management faction which currently controls defendant Inkombank and acts in concert with one another and with the third party defendants to obstruct the inquiry into financial improprieties in defendant Inkombank, conducted by third party plaintiff at Inkombank's and its Shareholders' instructions (the "Inquiry") and, further, to cover-up the results of the Inquiry. Cross-claim defendants retained third party defendants purportedly "on behalf of Inkombank" to, in fact, aid and abet cross-claim defendants in a cover-up.

5. Foreign Investors Portfolio Management, Inc. ("FIPM"), captioned in the within action as "additional counterclaim defendant", is a holder in due course of various negotiable promissory notes issued or endorsed by defendant Inkombank in an aggregate amount of approximately U.S. $16 million. FIPM is also an agent and attorney-in-fact for several major shareholders of defendant Inkombank ("Inkombank Shareholders") and currently represents the interests of said shareholders in a bitter controversy between the

shareholders and the management faction which, upon information and belief, currently usurped control over defendant Inkombank.

6. [redacted] Esq., [redacted] Esq., and [redacted] Esqs., b6 b7C captioned in the within action as "additional counterclaim defendants", are attorneys duly admitted to practice law in the State of New York. [redacted] are attorneys of record for "additional counterclaim defendant FIPM in an action which is currently pending in the Supreme Court of the State of New York by [redacted] & FIPM against [redacted] & Inkombank et al., Index No. 133647/94 (the "State Court Action").

7. Upon information and belief, third party defendant [redacted] b6 b7C [redacted] is an attorney duly admitted to practice in the State of New York and a [redacted] of Christy & Viener and further, upon information and belief, acts [redacted] for defendant Inkombank in New York.

8. Upon information and belief, [redacted] is an b6 b7C attorney duly admitted to practice in the State of New York and [redacted] in the law firm of Christy & Viener and, upon information and belief, is an [redacted] of defendant Inkombank's New York subsidiary "Inkom Capital, Ltd., a/k/a Alpha Consulting Group." ("Inkom Capital/Alpha"). Inkom Capital/Alpha is a defendant in the State Court Action.

9. Upon information and belief, [redacted] is an attorney duly admitted to b6 b7C practice in the State of New York and [redacted] of Christy & Viener.

10. Upon information and belief, First Ten, S.A., Kudos Holdings, Ltd., f/k/a Kudos Investments, Ltd., Inwesta Establishment, a/k/a "Vestina", Walesdon Financial

Company, Laurel Finance, Ltd., Aspiration Holdings, Ltd., Linkvale, Ltd., Prontoservus, Ltd., Manitesser Co. Ltd., [redacted] Adviso Trust Co. Ltd., Savser Management, Ltd., Nashua Trading Corp., all offshore legal entities, are a part of an elaborate offshore network, discovered during the inquiry and believed to be utilized by cross-claim defendants to dissipate Inkombank's assets (Collectively "Offshore Network"). All of the above offshore entities are named defendants in the State Court Action.

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11. Upon information and belief, [redacted] are physical persons and [redacted] for the offshore entities (collectively "Offshore Directors"). Offshore directors are named defendants in the State Court Action.

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12. InkomCapital/ Alpha is a New York corporation and, upon information and belief, acts as agent and instrumentality of defendant Inkombank and of crossclaim defendants and, upon information and belief, was utilized by cross-claim defendants and third party defendants in New York to assist in a cover-up of results of the Inquiry.

13. John Does 11-20 are physical and/or legal persons presently unknown to third party plaintiff who participated in and/or are liable for some or all of the liabilities sued upon. To the extent same becomes known to third party plaintiff, the identity of said persons and/or additional causes of action will be pleaded in the amended third party complaint.

RELEVANT BACKGROUND FACTS

14. In the latter part of 1994, Inkombank shareholders suspected improprieties on the part of cross-claim defendants and, further, became concerned with the influence

of a Russian mob over defendant Inkombank.[1] They demanded an investigation into the practices and dealings of several highly placed officers of defendant Inkombank and others, including the offshore directors (collectively "D.E.S.K. Group"). Defendant officers initially resisted, but eventually consented to an "internal inquiry". It was agreed between Inkombank shareholders and cross-claim defendants that the Inquiry would be conducted by [redacted] Esqs., as attorneys for the shareholders, and the Law Offices of [redacted] Esq., at the time, attorney for defendant Inkombank. b6 b7C

15. [redacted] did, in fact, together with plaintiff [redacted] Esq., conducted an investigation into said financial improprieties in Moscow and various other cities in Eastern and Western Europe and uncovered evidence of the multi-million dollar embezzlement of Inkombank's and its shareholders' funds by the D.E.S.K. Group and, further, uncovered evidence of ties of the D.E.S.K. Group to Russian organized crime factions.

16. In its initial stages, cross-claim defendants appeared to enthusiastically encourage this investigation. However, as the investigation progressed, cross-claim defendants, while formally instructing third party plaintiff and plaintiff to continue the inquiry, engaged in obstructing the latter' efforts. Unbeknownst, at the time, to third

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[1] Cross-claim defendants numerously admitted that they were concerned with advances by the Russian mob on Russia's major banks, but stated that they were determined to fence off "nayezdy" (translates literally as "run on" (by a vehicle), a common slang word used in today Russia's business community, meaning hostile advance by mob on legitimate businessman for the purpose of "making an offer one can't refuse") - the organized crime influence or control over its operations, and/or utilization of its facilities to launder illicit proceeds. However, by the fall of 1993, the Russian organized crime offensive on Russian financial institutions intensified. Determined to control the facilities to freely transfer billions of dollars derived from the mob related activities, all over the world as well as to share in enormous profits being made by Russian banks on wild Russian Ruble - US$ speculation, gangsters utilized all available means to secure unlawful control in as many Russian banks as possible. The recent CIA and United Nations reports indicate that virtually all Russian financial institutions are currently controlled or influenced by the Russian mob.

party plaintiff (or, upon information and belief, at the time, to plaintiff), but in true and in fact, cross-claim defendants themselves were a part of the conspiracy, and utilized the D.E.S.K. Group as a front and a potential fall guy. Upon information and belief, cross-claim defendants commenced the Inquiry to cover-up their own unlawful activity in a hope that their participation in the illegal deeds would never be uncovered and that they would be able to present to Russian banking authorities, shareholders, Western correspondent banks and others a "report by an American attorney" which would ostensibly affirm no wrongdoing on the part of cross-claim defendants.

17. In January of 1994, cross-claim defendants ordered the Inquiry stopped and informed third party plaintiff, that "the Governing Board of Inkombank had made a decision to pardon" the officers and employees engaged in unlawful activity and requested of both, third party plaintiff, and, upon information and belief, of plaintiff , to conceal the results of the investigation from Inkombank shareholders and, further, requested that third party plaintiff turn over to cross-claim defendants the original stock certificates evidencing the equity of Inkombank shareholders in Joint Stock Bank Inkombank which as cross-claim defendants believed were in the possession of third party plaintiff, as well as certain other original documents evidencing Inkombank's indebtedness to FIPM. In January 1994, cross-claim defendants offered third party plaintiff a substantial "special bonus" for the "work well done". Third party plaintiff unequivocally turned down the "deal". Cross-claim defendants were extremely angry and threatened that "people behind us would conduct razborki (Russian slang word meaning a "trial" by the mob enforcers) with you" and, further, indicated that third party defendants [redacted] b6 b7C

[redacted](collectively "Christy & Viener") would replace plaintiff as attorneys for b6 b7C
defendant Inkombank.

18. Cross-claim defendants unambiguously indicated to third party plaintiff that the reason for plaintiff's relief was that defendant officers could no longer "afford" an attorney who was fluent in Russian and thoroughly experienced in Russian law and business customs but rather needed someone who "had absolutely no knowledge of Russian law, spoke no Russian, never visited Russia, never represented a Russian commercial client, and knew nothing about Russian customs". Indeed, defendant officers made no secret of the fact tha[redacted]firm's ignorance as regards the aforesaid b6 b7C
was precisely the "qualifications" which attracted cross-claim defendants in retaining Christy & Viener. Defendants officers were further "sincere" that they retained Christy & Viener not to render Inkombank any legal advice or services but solely to use[redacted]
[redacted]as puppets to help in a cover-up of unlawful acts by the cross-claim defendants and the D.E.S.K. Group.

19. Further, third party defendants Christy & Viener were retained to be a "gun for hire" in the cross-claim defendants' unlawful campaign to intimidate third party plaintiffs, a two-lawyer partnership, by threatening them with legal action by a much larger law firm. Specifically, cross-claim defendants numerously emphasized to third party plaintiff that one of the most important qualifications of[redacted]to cross-claim defendants b6 b7C
was his credentials as an ex-federal prosecutor and his "connections with the authorities". Cross-claim defendants , upon information and belief, intended to utilize these "qualifications" as a "scarecrow" against both third party plaintiff and, upon information

and belief, plaintiff , in order to coerce them to conceal the results of the Inquiry and, further, to aid and abet cross-claim defendants in a cover-up of their dissipation of defendant Inkombank's funds.

20. Third party plaintiff numerously, in good faith, attempted to apprize [redacted] of the real nature of his "retainer" and to enlist his assistance in their effort on behalf of Inkombank as an entity. Further, [redacted] on a number of occasions, was warned verbally and in writing that the persons who retained him may not have, in fact, represented legitimate interests of defendant Inkombank, but were a renegade Russian mob controlled management faction who acquired and maintained control over defendant Inkombank by fraud, coercion and strong arm tactics which, unfortunately, is the way of "doing business" in Russia today. During several visits by [redacted] to [redacted] offices, third party plaintiff let [redacted] review a number of documents evidencing the multi-million dollar embezzlement of Inkombank funds, uncovered during the Inquiry and showing that cross-claim defendants conspired to commit unlawful deeds and, further, showing that [redacted] were being utilized as a fig leaf to cover up the conspiracy. Unfortunately, despite being aware of third party plaintiff's and, also, of plaintiff's knowledge and expertise in the area of Russian law and their experience in representing Russian clientele[2], [redacted] chose not to accept the good faith warnings of his fellow bar

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[2] [redacted] of third party plaintiff Fishkin & Reid, as well as plaintiff [redacted] are qualified as attorneys in the Russian Federation. A significant portion of Fishkin & Reid's practice consists of representing major Russian corporations, including financial institutions and insurance companies. Plaintiff [redacted] is well known to Russian corporate and banking communities because of [redacted] of the Russian Federation by way of assisting in drafting various commercial laws which were subsequently presented to "Duma" (Russia's Parliament), and, further, because of the frequent lectures and seminars plaintiff conducted in Moscow for senior Russian judiciary. At the personal request of then Russia's Minister of Justice, the Hon. Nickolay Fyodorov, in 1992, plaintiff provided a "crash course" for the senior Russia's judges elected to preside over experimental jury trials resurrected with plaintiff's assistance after 75 years of totalitarian

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members, but decided in favor of billable hours. [redacted] further, warned third party plaintiff that, in the event third party plaintiff ever commenced an action against cross-claim defendants, [redacted] would accuse FIPM and even third party plaintiff of converting or assisting in converting of Inkombank's funds, and, further, would falsely cause cross-claim defendants to file disciplinary complaints against third party plaintiff and/or plaintiff.[3] b6 b7C

21. Either out of ignorance of the current situation in Russia, a quest for the "exotic"[4] or a wilful blindness of its lead attorney, [redacted] who "obtained the client" for the firm, third party defendants Christy & Viener took an active role in aiding and abetting cross-claim defendants' cover-up of dissipating Inkombank funds and other wrongful deeds which damaged defendant Inkombank and its shareholders. Christy & Viener, further, encouraged and took an active part in the campaign of maliciously prosecuting and persecuting third party plaintiff as well as original plaintiff and, further, at the instructions of cross-claim defendants, engaged in conducting an array of wild-goose b6 b7C

Communist rule. In the same year, plaintiff presented to the Bar Association of the City of New York Russia's Minister of Justice on his first trip to the US. Both partners of Fishkin & Reid, as well as Mr. Zeltser, hold Honorary Degrees of "Doctor of Laws of Russia" from the Academy of Jurisprudence of the Ministry of Justice of Russia (the highest institution of legal learning in the land) and serve on the Board of Advisors of the Academy. Plaintiff [redacted] is also a US general legal counsel to the Academy. Finally, [redacted] Esq. and [redacted] Esq., as well as [redacted] Esq., together with the Ministry of Justice of Russia and School of Law of the University of Pittsburgh, compiled, translated and edited "Trade and Commercial Laws of the Russian Federation - Official Codification" published by Oceana Publications, Inc. in 1993 - the only official English language version of Russia's commercial laws which is utilized as a reference by courts in the US. b6 b7C

[3] Third party defendant [redacted] made good on his threat. Having received Inkombank shareholders' demand and notice of forthcoming litigation, upon information and belief, [redacted] on behalf of cross-claim defendants, did file a complaint with the Disciplinary Committee which misrepresented the facts and contained ridiculous and malicious allegations against the plaintiff. b6 b7C

[4] During the very first meeting with the undersigned, [redacted] specifically stated "Fifty years ago I was a Navy officer on board a Submarine in the South Pacific, but this (referring to Russian clients) is really exotic!" b6 b7C

chase "investigations" which were, in fact, calculated by cross-claim defendants to conceal the results of the Inquiry by third party plaintiff as well as the source, ownership, control and location of dissipated Inkombank funds and make it impossible to trace. While conducting the aforedescribed bogus "investigations", third party defendants Christy & Viener are believed to have incurred significant billable hours and other expenses (as alleged/admitted in the Counterclaim) which defendant officers happily keep paying out of defendant Inkombank's funds.

22. FIPM, on behalf of Inkombank shareholders, demanded the Inquiry continued and, further, demanded of cross-claim defendants to clean up the abuses at Inkombank. On or about July 27, 1994, in an effort to avoid full blown litigation between FIPM and defendant Inkombank, third party plaintiff called a settlement meeting with third party defendant [redacted] and, further, invited plaintiff [redacted] to attend. During b6 b7C the meeting, numerous documents were shown to [redacted] evidencing indebtedness of defendant Inkombank to and improprieties of cross-claim defendants vis-a-vis FIPM and Inkombank shareholders. Having reviewed these documents, [redacted] upon information and belief, immediately advised cross-claim defendants to move approximately $26M of Inkombank funds out of US jurisdiction, so as to place such funds outside of the reach of US Courts, and, further, upon information and belief, personally signed the order to Smith Barney to so withdraw the funds.

23. On behalf of FIPM, third party plaintiff forwarded a letter to [redacted] b6 b7C protesting so placing the funds outside of the reach of creditors. No response was forthcoming.

24. Having exhausted all good faith attempts to reason with defendant officers and third party defendants, on December 6, 1994, FIPM commenced an action against defendant Inkombank, its officers, employees, subsidiaries and agents and the offshore entities and offshore directors for breach of contract, fraud, and tortious interference with contractual relationship. The action was intended, inter-alia, to compel defendant officers to revive the Inquiry successfully halted and frustrated by cross-claim defendants with the "invaluable" assistance of third party defendants Christy & Viener, and to secure accountability for the dissipated (and/or then about to be dissipated) funds of Inkombank and, further, to halt further abuses of cross-claim defendants and others in dissipating Inkombank's funds.

25. Immediately upon commencement of the State Court Action , cross-claim defendants aided and abetted, wittingly or out of recklessness and wilful blindness, by third party defendants Christy & Viener, and further, acting in concert with the offshore entities and offshore directors, engaged in conspiracy to delay, prolong and frustrate the State Court Action by unlawful means, including but not limited to, perjury, filing of fake documents with the court, harassing plaintiffs and their attorneys, intimidating, coercing and threatening potential witnesses, including threats of physical violence, and, finally, initiating false and malicious action in this Court. Cross-claim defendants, obviously not intending to "win" on the merits, calculated, that by delaying and prolonging the State Court Action, cross-claim defendants and those acting in concert with them in Moscow and other places around the globe would be able to complete the cover-up of their unlawful deeds and to secure the ill-gotten proceeds of the latter.

26. Cross-claim defendants, further, with the assistance and active participation, wittingly or out of willful blindness, of third party defendants Christy & Viener engaged in an all-out campaign to disparage the good name and reputation of third party plaintiff and, upon information and belief, plaintiff, including, inter alia, writing libelous and scandalous letters to third parties. As a result of this tortious conduct and, further, to recover legal fees, on January 6, 1995, the original plaintiff commenced the within action.[5]

27. On March 20, 1995, third party defendants Christy & Viener did, in fact, file counterclaims against original plaintiff in the within action and, further, named as "additional counterclaim defendants" parties and their attorneys in the State Court Action, purportedly, on behalf of defendant Inkombank.

28. The counterclaims contained false, malicious, scandalous and facially absurd allegations calculated to harass plaintiffs and their attorneys in both court actions and, further, to delay and prolong the action in this Court so as to manipulate and pervert the process for ulterior purpose. Cross-claim and third party defendants' clear aim and purpose was to wreck havoc and confusion in this action and, possibly, by artificially creating a conflict of interest between plaintiffs in the State Court Action and their counsel, to deprive plaintiffs of legal representation by attorneys familiar with the case, thus, gaining undue advantage and prejudicing plaintiffs in this Court.

29. As a result of the above described massive cover-up, cross-claim defendants with assistance and participation of third party defendants, successfully interfered with and

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[5] Defendants were forced to admit to writing a letter containing defamatory statements about plaintiff in their Answer, para. 31 (Exhibit 1).

impeded and frustrated the efforts by FIPM and their attorneys, the third party plaintiffs herein, to halt the cover-up of cross claim defendants' unlawful deeds, or to slow down the dissipating of Inkombank's funds by cross-claim defendants[6].

30. While Inkombank shareholders and the third party plaintiff have not yet concluded the investigation into financial intermingling between third party defendant Christy & Viener and other third party defendants and the cross-claim defendants, it is believed that various monies were syphoned off by cross-claim defendants through various escrow and/or other attorney accounts of one or more of the third party defendants Christy & Viener.

CLAIM FOR RELIEF: INDEMNITY

31.As aforealleged, cross-claim defendants and third party defendants engaged in a massive cover-up and did interfere with third party plaintiff's and "additional counterclaim defendant" FIPM's efforts to stop financial abuses at Inkombank, and, further, obstructed third party plaintiff's Inquiry into dissipating by cross-claim defendant Inkombank's officers, and aided and abetted, and/or participated in a cover-up of said abuses, and, further, delayed and obstructed the action in the State Court, intended, inter alia, to recover damages caused by cross-claim defendants' conduct, and to stop abuses and unlawful deeds of cross-claim defendants.

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[6] It is sad and ironic that Christy & Viener numerously alleged in their delusionary counterclaims against third party plaintiff that Inkombank "was unable to trace" funds, when it was the cross-claim defendants' and third party defendants' 16 month effort that helped to disguise the results of third party plaintiff's investigation and deprived Inkombank of its property.

32.As a direct and proximate cause of third party defendant Christy & Viener's, either intentionally or recklessly, or in disregard of reality in favor of churning billable hours, aiding and abetting cross-claim defendants and/or in failing to conduct due diligence in verifying cross-claim defendants' representations, and, instead, allowing its mob-influenced clients to manipulate Christy & Viener and to wrongfully harass, oppress and prosecute their fellow Bar members while aiding and abetting conversion by its clients, Christy & Viener is liable to Inkombank for any and all resulting damages, including, without limitations, the cost of the State Court Action, as well as that of this litigation.

33. For the reasons heretofore alleged, cross-claim defendants and third party defendants are liable to Inkombank for any losses resulting from the conversion by Inkombank's senior officers and, in addition, are responsible for running-up vast costs of the bogus "investigation", including, without limitations, significant fees for themselves.

34. In addition, cross-claim defendants Vinogradov [redacted] b6 b7C [redacted] agreed to indemnify third party plaintiff from any and all actions and liabilities resulting from claims of third parties, including, without limitations, defendant Inkombank.

WHEREFORE, third party plaintiff [redacted] Esq. demands judgment against third party defendants [redacted] Christy & Viener, First Ten, S.A., Kudos Holdings, Ltd., f/k/a Kudos Investments, Ltd., Inwesta Establishment, a/k/a "Vestina", Walesdon Financial Company, Laurel Finance, Ltd., b6 b7C Aspiration Holdings, Ltd., Linkvale, Ltd., Prontoservus, Ltd., Manitesser Co. Ltd., [redacted] [redacted] Adviso Trust Co. Ltd., Savser Management, Ltd., Nashua Trading Corp., [redacted]

[redacted]

InkomCapital, Ltd. a/k/a Alpha Consulting Group, Ltd., and [redacted] 11-20, and, further, against cross-claim defendants [redacted] Vinogradov [redacted] b6 b7C

[redacted]

and John Does 11-20 for any sums which may be adjudged against third party plaintiff in favor of defendant Inkombank, and, further, demands judgment awarding third party plaintiff any and all costs connected with the within action and for such other, further and alternative relief as this Court may deem appropriate under the circumstances.

Dated: New York, New York
April 10, 1995

Respectfully submitted,

[redacted] b6 b7C

B [redacted] Esq.
Third party plaintiff Pro Se,
15 Penn Plaza, Suite 120,
New York, NY 10001

[redacted]

TO: Christy & Viener, Esqs.
620 Fifth Ave,
New York, NY 10020

[redacted] Esq. b6 b7C
Plaintiff, pro se,
2 Penn Plaza, Suite 1500,
New York, NY 10121

RICHARD A. ANDERMAN
ROBERT S. APPEL
STEVEN R. BERGER
JAMES S. BOYNTON
JOHN F. CAMBRIA
ANTHONY J. CARROLL
ARTHUR H. CHRISTY
L. DAVID CLARK, JR.
RUSSELL J. DASILVA
RICHARD M. ESTES
MARIA T. GALENO
WILLIAM F. GRAY, JR.
P. GREGORY HESS
L. ANTHONY JOSEPH, JR.
DAVID G. LEVERE
JEROME M. LEWINE
LAURENCE S. MARKOWITZ
JON J. MASTERS
WAYNE C. MATUS
RICHARD SALOMON
SALVATORE A. SANTORO
DANIEL J. SULLIVAN
KENNETH W. TABER
FRANKLIN B. VELIE
JOHN D. VIENER
KARON WALKER

CHRISTY & VIENER
620 FIFTH AVENUE
NEW YORK, NEW YORK 10020-2402
(212) 632-5500

FACSIMILE
(212) 632-5555

DIRECT DIAL NUMBER
[redacted] b6 b7C

March 28, 1995

Special Agent [redacted]
Federal Bureau of Investigation
26 Federal Plaza
New York, New York 10278

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Re: [redacted]

Dear [redacted]

I am enclosing for your information a copy of a complaint filed by [redacted] [redacted] *pro se*, against Vladimir Vinogradov, President of Inkombank, Inkombank and other present and former officers of Inkombank, in the Southern District of New York.

We have answered the complaint on behalf of Mr. Vinogradov and Inkombank. In addition, we have filed a lengthy counterclaim against [redacted] on behalf of Inkombank. b6 b7C

Enclosed are copies of [redacted] complaint and the answer and counterclaim we filed.

If you should have any questions, just give me a ring.

Very truly yours,

[redacted] b6 b7C

[redacted]st
enc.

0050457.01

AGREEMENT No.
PURCHASE OF JOINT-STOCK BANK "INKOMBANK" SHARES
PAYABLE IN HARD CURRENCY

Moscow "18" JUNE 1993

The joint-stock bank "Inkombank", hereinafter called the "Bank", in the person of the Chairman of the Board *Vladimir V. Vinogradov*, acting on the basis of the Statute, and

New York International Insurance Group, S.A.,
hereinafter called the "Shareholder", in the person
represented by F I P M (as agent),
acting on the basis of Power of Attorney,
agreed on the following:

I. SUBJECT OF THE AGREEMENT

1.1. The Shareholder transfers the sum of (US $ 12,000,000.00 (twelve million US Dollars) for the purchase of (6,000 six thousand) common registered shares of joint-stock bank "Inkombank" at the price of 2000 (two thousand) U.S. dollars per each share.

Other currencies are converted into U.S. dollars according to their market cross rates, fixed by the Russian Federation Central Bank on the date of the crediting of the amount on the Bank's correspondent account. If the conversion is effected in "Inkombank" the Bank charges the commission in accordance with Bank's tariffs stated in the enclosure 1.

1.2. One common share gives the right to one vote at the General Meeting of Shareholders.

1.3. Funds are transferred to the Bank's correspondent account within 10 (ten) bank working days from the date of the present Agreement. In case funds are not transferred to the Bank's correspondent account within the stated period of time the Agreement is considered null and void., unless extended by the parties. The Shareholder pays all expenses connected with the transfer of the funds to the Bank's correspondent account.

1.4. The present Agreement comes into force from the moment the funds in hard currency are transferred to the Bank's correspondent account or to cash operations department of the Bank.

1.5. The Shareholder has a priority right to purchase additional number of Bank's shares for hard currency.

1.6 The validity of the present Agreement is not limited, the Bank undertakes at the Shareholder's request to repurchase shares sold under the present Agreement for hard currency at the price of the purchase after 36 months from the date of the present Agreement comes into force.

1.7. In case of drastic changes in the situation on Russian financial market the Bank reserves the right to decrease or to increase the rates on dividends guaranteed in p.2.2 of the present Agreement but not earlier than 36 months from the date of the present Agreement comes into force.

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II. BANK'S COMMITMENTS

2.1. Within 15 days after receipt of the funds the Bank is to give out to the Shareholder the certificate of the shares.
2.2. Dividends on the shares purchased are paid annually upon expiration of the first month from the date of the Meeting of the Shareholders. The Bank guarantees an annual return not less than 9 (nine) per cent p.a. if the Shareholder uses the right to have his shares redeemed in the period from 12 to 18 months and not less than 10.5 (ten and a half) per cent p.a. if the Shareholder uses the right to have his shares redeemed in the period of 18 months or more.
2.3. To receive dividends in hard currency the Shareholder is to present the shares themselves and the present Agreement (or its copy).
2.4 Within 10 banking days after presentation of the shares themselves and the present Agreement (or its copy) the Bank transfers dividends on the shares to the account indicated by the Shareholder.
2.5. The Bank undertakes to provide to the Shareholder the following privileges and benefits:

2.5.1. Shareholders whose shares are not less than 1 mln. U.S. dollars or its equivalent in other currency enjoy free of charge international transfers, collections, opening and confirming letters of credit. Those privileges will increase the Shareholder's total return up to 10.5 per cent p.a. if shares are purchased for 12 months and up to 12 per cent p.a. if shares are purchased for 18 months or more.

2.5.2. The Bank opens hard currency accounts for the Shareholders whose shares in the Authorized Fund are not less than 1 mln. U.S. dollars free of charge.

2.5.3. When transferring dividends to the account of the Shareholder outside Russia taxes are to be paid in conformity with the legislation of the country of the Shareholder if there exists an agreement on elimination of double taxation between Russia and that country.

2.5.4. Upon the wish of the Shareholder the Bank opens the Shareholder's accounts for transfer the dividends and guarantees the conversion of the dividends into roubles at the exchange rate of the Moscow Interbank Currency Exchange at any time after dividends calculated. In this case taxes are to be paid in accordance with Russian law.

2.5.5. The dividends can be reinvested into common shares of the Bank.

III. SETTLEMENT OF DISPUTES

3.1. The counterparts base their relations on the principles of economic partnership, mutual confidence and confidentiality.
3.2. The counterparts will take all the necessary steps to settle the arising disagreements through negotiations.
3.3. Disputes between the counterparts are considered in accordance with the Russian Federation legislation.

IV. SPECIAL CONDITIONS

Notwithstanding anything to the contrary contained in this Agreement, in the event any of the provisions set forth in the within Article, entitled "Special Conditions" should be deemed to contradict or be inconsistent with the conditions set forth in other parts of the Agreement, the terms set forth in "Special Conditions" shall control.

WHEREAS, notwithstanding anything to the contrary set forth in Article 1.1 or any other provisions set forth in the body of the Agreement, the purchase price shall be paid as follows: Shareholder shall tender the amount set forth in Article 1.1 of the within Agreement to Bank by purchasing from a major US Investment banking firm (hereinafter "INVESTMENT BANKER") various securities, which as at the date of such delivery shall have the aggregate market value equal to the purchase price of shares transferred herein as set forth in Article 1.1 of the within Agreement (hereinafter "Bartered Securities") and delivering same to Investment Banker to be credited to Bank's account. Shareholder may borrow part or all of the funds needed to purchase Bartered Securities from Investment Banker or any other lender, including without limitation employing margin borrowing; and further may leverage the Shares by pledging same as collateral to the lender, who shall provide funds for the purchase of Bartered Securities. In case of the margin borrowing Bank shall provide the funds to establish and maintain the required margin funds in such proportion to the purchase price as may be required by Federal Reserve Board. Shareholder or Shareholder's authorized representative may purchase Bartered Securities directly for the account of the Bank. Bartered Securities shall be placed and shall remain in safe custody of a major US banking firm, who shall act as custodian until the date when the shares transferred herein are re-purchased by Bank, as provided in the Article 1.6 of the within Agreement. Parties agree, that Smith Barney Shearson (New York) shall be retained as initial custodian. Bank shall have the right to replace Custodian, should Custodian in Bank's view be for any reason unable to carry out its duties as Custodian, or should Custodian's fees for services be deemed by Transferor not competitive, or should Bank close its account with Custodian for any reason of whatsoever nature. Should Bank choose to replace Custodian, Bank shall notify Subscriber of such change at least ten (10) days prior to removing Bartered Securities from Custodian's custody by certified mail, return receipt requested. Bank shall then instruct Custodian to deliver securities to Bank's Legal Counsel in New York, who shall hold Bartered Securities in escrow until such time when Bank selects and retains a new Custodian. Bank shall advise Subscriber of name and address of the new Custodian within ten days after retaining such new Custodian. Bank shall pay any and all charges and management fees relating to services by custodian or any third party, whose services may be utilized, specifically including fees for management consulting services performed and further to be performed by Foreign Investors Portfolio Management, Inc. (hereinafter "MANAGEMENT CONSULTANT"), as set forth in certain Management Fee Agreement by and between the Bank and Management Consultant executed on July 21-d 1993. Custodian shall be authorized to wire transfer to Management Consultant the sum of $66,666.67 (sixty thousand, six hundred and sixty six US Dollars per month for the period of 36 (thirty six months) on the first day of each month.

To induce third parties, who provided assistance in negotiating and executing this Agreement, and/or will or may assist in administering or carrying out this Agreement or any of the terms thereof (hereinafter "INTENDED BENEFICIARIES") and/or acted as attorneys in fact or in law, or rendered advice, or acted in any capacity of whatsoever nature with regard to this Agreement or in the within transaction,

V. REQUISITES OF THE COUNTERPARTS

1. The Bank: 117420, Moscow, Nametkina Str., 14, block 1, tel. (095)332-06-56,-76; fax:(095)331-88-33; (095)331-00-26; (095)331-29-00;
telex 412345 BANKI SU.
Correspondent account No. [redacted] with Smith Barney Shearson

2. The Shareholder: c/o FIPM . b4
245 8 Avenue, Suite 197
New York, NY 10011
Current account No. [redacted] with Smith Barney Shearson

3. The present Agreement is drawn up on five sheets of paper in 2 (two) authentic copies each of them having equal legal force.

FOR THE BANK
Chairman of the Board

Vladimir Kandaurov

Акционерный Банк "ИНКОМБАНК"

FOR THE SHAREHOLDER

[redacted] b6 b7C

INKOM
BANK

CERTIFICATE OF THE SHARES № 159/2

Issue date: « 10 » August 199 3 г.

Shareholder: Morgenthow and Latham Ltd

Issuing bank: Joint-stock bank «INKOMBANK».

Class of the shares: common registered.

Nominal value of one share: 1000 (one thousand) roubles.

Number of the shares purchased: 7000 (Seven thousand)

Total value of the shares purchased: 7000000 (seven million) roubles.
The Shareholder paid for the shares an amount of $ 14000000 (fourteen million).

The issuance and circulation of shares are effected in compliance with Russian legislation and the regulations of the joint-stock bank «INKOMBANK».

Registration and reregistration are effected by the joint-stock bank «INKOMBANK».

Акционерный банк «ИНКОМБАНК»

Chairman of the Board
of JSB «INKOMBANK» Vladimir V. Vinogradov

[redacted]
of JSB «INKOMBANK»

[redacted]

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INKOM
BANK

CERTIFICATE OF THE SHARES № 160/2

Issue date: « 10 » August 199 3 г.

Shareholder: Oriental XL Funds, Inc.

Issuing bank: Joint-stock bank «INKOMBANK».

Class of the shares: common registered.

Nominal value of one share: 1000 (one thousand) roubles.

Number of the shares purchased: 7000 (Seven thousand)

Total value of the shares purchased: 7000000 (seven million) roubles.
The Shareholder paid for the shares an amount of $ 14000000 (fourteen million).

The issuance and circulation of shares are effected in compliance with Russian legislation and the regulations of the joint-stock bank «INKOMBANK».

Registration and reregistration are effected by the joint-stock bank «INKOMBANK».

Chairman of the Board
of JSB «INKOMBANK» Акционерный банк «ИНКОМБАНК» Vladimir V. Vinogradov

[redacted]
of JSB «INKOMBANK»

[redacted]

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INKOM
BANK

CERTIFICATE OF THE SHARES № 161/2

Issue date: « 10 » August 1993 r.

Shareholder: New York International Insurance Group, S.A.

Issuing bank: Joint-stock bank «INKOMBANK».

Class of the shares: common registered.

Nominal value of one share: 1000 (one thousand) roubles.

Number of the shares purchased: 6000 (Six thousand)

Total value of the shares purchased: 6000000 (six million) roubles.
The Shareholder paid for the shares an amount of $ 12000000 (twelve million).

The issuance and circulation of shares are effected in compliance with Russian legislation and the regulations of the joint-stock bank «INKOMBANK».

Registration and reregistration are effected by the joint-stock bank «INKOMBANK».

Chairman of the Board
of JSB «INKOMBANK» Vladimir V. Vinogradov

of JSB «INKOMBANK»

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a) on any amount from $ 1 to $ 500.000 - 7 %

b) on any amount from $ 500.001 to $ 800.000 - 10 %

c) on any amount from $ 800.001 to $ 1.000.000 - 18 %

d) on any amount from $ 1.000.000 - 26 %

For the purposes of this agreement any monies recovered subsequent to your receipt of this letter, with regard to this claims by Inkombank, shall be deemed to be "recovered by you", and shall entitle you to compensation within the meaning of this paragraph.

We understand, that in carrying out of this assignment on our behalf you shall represent our interests in accordance with the Rules of Professional Conduct, and the Code of ethics as promulgated by the American Bar Assotiation, as well as all the rules pertaining to Attorney's conduct mandated by the Appellate Division of the Supreme Court of the State of New York.

Cordially,

Inkombank

by: _____
Vladimir V.Vinogradov
Chairman of the Board

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by: [redacted]
Legal Counsel

Countersigned:

[redacted] Esq

INKOM
BANK

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That VLADIMIR V. VINOGRADOV, CHAIRMAN OF JOINT-STOCK COMMERCIAL BANK "INKOMBANK", a bank duly organised and existing under the laws of the Russian Federation, Russia Moscow, Nametkina Str, 14-1, does hereby appoint [redacted] ESQ.

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from the Law Offices of Emanuel E. Zeltser and Associates, 2 Penn Plaza, Suite 1500, New York, NY 10121 USA, its true and lawful attorney-in-fact with full authority. Among the powers granted to the above-mentioned attorney-in-fact are the powers to:

- receive goods and money;
- conduct business;
- appear in actions and suits;
- sell, transfer, or purchase securities;
- manage real estate;
- appoint other attorneys-in-fact.

Specifically, the above-mentioned attorney-in-fact shall be given full authority to obtain any and all information with regard to companies as follows:

INVESTA, WESTINA, HOVERWOOD

and to induce reliance of any third party, including without limitations, Bank of Liechtenstein and Kafina AG.

IN WITNESS WHEREOF, VLADIMIR V. VINOGRADOV, has executed these presents:

this 28th day of December, 1993,

Notary Public

GENERAL POWER OF ATTORNEY

FROM : INKOMBANK

PRINCIPAL

TO : [redacted] ESQ. b6 b7C

AGENT

DATED: DECEMBER 16, 1998

BE IT KNOWN THAT FOR GOOD AND VALUABLE CONSIDERATION

Inkombank, a commwrcial bank limited by sharles duly organized and existing under the law of Russian Federation

---

THE ABOVE MENTIONED PRINCIPAL

APPOINTS

[redacted] Esq., attorney and counselor at law duly admitted to practice before the highest Court of the State of New York. b6 b7C

THE ABOVE MENTIONED AGENT

HIS/HER/ITS TRUE AGENT AND ATTORNEY IN FACT AND AUTHORIZED AND SAID AGENT TO ACT IN PRINCIPAL'S PLACE AND STEAD AS PRINCIPAL HIMSELF COULD OR MIGHT ACT IF PHYSICALLY PRESENT TO THE EXTENT PERMITTED BY LAW OF THAT JURISDICTION IN WHICH THE AGENT ACTS ON PRINCIPAL'S BEHALF AND TO DO ALL THINGS WITH NO LIMITATIONS WHATSOEVER IN RELATIONSHIP TO REPRESENTING PRINCIPAL'S BEST INTERESTS.

THIRD PARTIES (AND SPECIFICALLY WITHOUT LIMITATIONS CITIBANK, AND PORT AUTHORITY OF NEW YORK AND NEW JERSEY) ARE REQUESTED TO RECOGNIZE THE AGENT ABOVEMENTIONED AS THEY WOULD THE PRINCIPAL IN TERMS OF ANY AND ALL TRANSACTIONS, NEGOTIATIONS, PAYMENTS, AGREEMENTS, PROMISES, AND ALL OTHER THINGS WITH NO LIMITATIONS WHATSOEVER.

АКЦИОНЕРНЫЙ КОММЕРЧЕСКИЙ ИНОСТРАННЫХ ИНВЕСТИЦИЙ И ВНЕШНЕЭКОНОМИЧЕСКИХ СВЯЗЕЙ БАНК «ИНКОМБАНК» г. Москва

VLADIMIR V. VINOGRADOV
CHAIRMAN OF THE BOARD

CV 00481

[redacted] b6 b7C

INKOM BANK

January 20, 1994

[redacted] b6 b7C

Smith Barney Shearson

BY HAND

Dear [redacted]

On behalf of the Board of Directors of Joint-Stock Bank "INKOMBANK", and on my own behalf I wish to express to you our sincere appreciation for the assistance, which you provided to our US Legal Counsel [redacted] Esq. in protecting our funds amid the unfortunate incident with one of our less than scrupulous officers. You acted as a friend and an ethical and superior professional, that you are. Thanks again. b6 b7C

Yours, [redacted] b6 b7C

Vladimir V. Vinogradov
Chairman

cc. [redacted] Esq.

JOINT STOCK BANK «INKOMBANK»
Block 1, 14, Namestnia St., Moscow, 117420, Russia
Telephone (007.095) 332 06 99, (007.095) 331 29 00, (007.095) 330 71 40, (007.095) 952 71 46
Fax (007.095) 331 88 33, (007.095) 332 18 44
TELEX 418345 BANK RU
S.W.I.F.T. INCO AU MM

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EMANUEL E. ZELTSER, ESQ.,

Plaintiff,

-against-

JOINT STOCK BANK INKOMBANK, VLADIMIR VINOGRADOV, ALEKSEY KOUZNETSOV, ROMAN ZDRAYEVSKY, ANNA KOURISKOVA, VLADIMIR DOUDKIN, ELENA EGORYCHEVA, MARINA OSTRYAKOVA, ANDREY SHIMKEVITCH, RAFAEL NAGAPETYANTZ, and VLADIMIR PREOBRAZHENSKY,

Defendants.

ANSWER AND COUNTERCLAIMS

95 Civ. 0796 (KTD)

JOINT STOCK BANK INKOMBANK,

Counterclaim Plaintiff,

-against-

EMANUEL E. ZELTSER, ESQ.,

Counterclaim Defendant,

-and-

ALEXANDER FISHKIN, ANNA REID, FISHKIN & REID, OMEGA BROKERAGE SERVICES, INC., FOREIGN INVESTORS PORTFOLIO MANAGEMENT, INC., ELENA PELAEZ, RACHIDA MECHERI, and JOHN DOES 1-10,

Additional Counterclaim Defendants.

ANSWER

Defendant Vladimir Vinogradov and defendant/counterclaim plaintiff Joint Stock Bank Inkombank ("Inkombank") (collectively, "Defendants"), by their attorneys, Christy & Viener, as and for their answer to the complaint (the "Complaint"), allege as follows:

1. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1 of the Complaint, except admit that the records of the New York State Appellate Division, First Department, indicate that Emanuel E. Zeltser ("Zeltser") was admitted in September 1990 and remains an attorney in good standing.

2. Upon information and belief, admit the allegations contained in Paragraph 2 of the Complaint.

3. Upon information and belief, admit the allegations contained in Paragraph 3 of the Complaint.

4. Upon information and belief, admit the allegations contained in Paragraph 4 of the Complaint.

5. Upon information and belief, admit the allegations contained in Paragraph 5 of the Complaint.

6. Upon information and belief, admit the allegations contained in Paragraph 6 of the Complaint.

7. Upon information and belief, admit the allegations contained in Paragraph 7 of the Complaint.

8. Upon information and belief, admit the allegations contained in Paragraph 8 of the Complaint.

9. Upon information and belief, admit the allegations contained in Paragraph 9 of the Complaint.

10. Upon information and belief, admit the allegations contained in Paragraph 10 of the Complaint.

11. Upon information and belief, admit the allegations contained in Paragraph 11 of the Complaint.

12. Upon information and belief, admit the allegations contained in Paragraph 12 of the Complaint.

13. The allegations contained in Paragraph 13 of the Complaint purport to state a legal conclusion to which no response is required.

14. The allegations contained in Paragraph 14 of the Complaint purport to state a legal conclusion to which no response is required.

ANSWERING THE SECTION OF THE COMPLAINT ENTITLED "PARTIES"

15. Deny the allegations contained in Paragraph 1 of that section of the Complaint entitled "Parties," except admit that Inkombank is a joint stock banking corporation duly organized and existing under the laws and regulations of the Federation of Russia, and was founded in 1988.

16. Upon information and belief, deny the allegations contained in Paragraph 2 of that section of the Complaint entitled "Parties," except admit that Zeltser was born in the former U.S.S.R. and is fluent in Russian, and deny knowledge or information sufficient to form a belief as to the truth of the other allegations contained in said Paragraph.

17. Admit the allegations contained in Paragraph 3 of that section of the Complaint entitled "Parties," except deny that defendant Vladimir Doudkin is a senior officer, board member, or employee of Inkombank.

18. Deny the allegations contained in Paragraph 4 of that section of the complaint entitled "Parties," except admit that defendants Preobrazhensky, Nagapetyantz and Ostryakova are employees of Inkombank.

ANSWERING THE SECTION OF THE COMPLAINT ENTITLED "RELEVANT FACTS"

19. Deny the allegations contained in Paragraph 1 of that section of the Complaint entitled "Relevant Facts", except admit that in December 1992 Inkombank retained Zeltser for the sole purpose of representing Inkombank in a dispute with Citibank.

20. Deny the allegations contained in Paragraph 2 of that section of the Complaint entitled "Relevant Facts."

21. Deny the allegations contained in Paragraph 3 of that section of the Complaint entitled "Relevant Facts," except admit that Zeltser performed certain services for Inkombank.

22. Deny the allegations contained in Paragraph 4 of that section of the Complaint entitled "Relevant Facts."

23. Deny the allegations contained in Paragraph 5 of that section of the Complaint entitled "Relevant Facts."

24. Deny the allegations contained in Paragraph 6 of that section of the Complaint entitled "Relevant Facts."

25. Deny the allegations contained in Paragraph 7 of that section of the Complaint entitled "Relevant Facts," except admit that, on several different occasions,

Inkombank demanded that Zeltser return certain documents belonging to Inkombank and which were in the possession of Zeltser or his alter ego, additional Counterclaim Defendant Fishkin & Reid.

26. Deny the allegations contained in Paragraph 8 of that section of the Complaint entitled "Relevant Facts."

27. Deny the allegations contained in Paragraph 9 of that section of the Complaint entitled "Relevant Facts."

ANSWERING THE FIRST ALLEGED CLAIM FOR RELIEF

28. Repeat their responses to the allegations realleged in Paragraph 1 of that section of the Complaint entitled "First Claim For Relief: Defamation."

29. Deny the allegations contained in Paragraph 2 of that section of the Complaint entitled "First Claim For Relief: Defamation."

30. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 3 of that section of the Complaint entitled "First Claim for Relief: Defamation," except deny that Defendants spoke or published any defamatory statements, and deny that, to the extent Defendants made any statements regarding Zeltser, they were not protected or privileged statements.

31. Deny the allegations contained in Paragraph 4 of that section of the Complaint entitled "First Claim For Relief: Defamation," except admit that in January 1995 Inkombank sent to Mr. Sharafetdinov a letter regarding Zeltser.

32. Deny the allegations contained in Paragraph 5 of that section of the Complaint entitled "First Claim For Relief: Defamation."

ANSWERING THE SECOND ALLEGED CLAIM FOR RELIEF

33. Repeat their responses to the allegations realleged in the first Paragraph of that section of the Complaint entitled "Second Claim for Relief: Non-Payment For Professional Services Rendered."

34. Deny the allegations contained in Paragraph 2 of that section of the Complaint entitled "Second Claim for Relief," except admit that Inkombank retained Zeltser for certain purposes.

35. Deny the allegations contained in Paragraph 3 of that section of the Complaint entitled "Second Claim for Relief."

36. Deny the allegations contained in Paragraph 4 of that section of the Complaint entitled "Second Claim for Relief" except admit that Zeltser performed certain services for Inkombank.

37. Deny the allegations contained in Paragraph 5 of that section of the Complaint entitled "Second Claim for Relief."

ANSWERING THE THIRD ALLEGED CLAIM FOR RELIEF

38. Repeat their responses to the allegations realleged in the first Paragraph of that section of the Complaint entitled "Third Claim for Relief: Book Account."

39. Deny the allegations contained in Paragraph 2 of that section of the Complaint entitled "Third Claim for Relief: Book Account."

ANSWERING THE FOURTH ALLEGED CLAIM FOR RELIEF

40. Repeat their responses to the allegations realleged in the first Paragraph of that section of the Complaint entitled "Fourth Claim For Relief: Quantum Meruit."

41. Paragraph 2 of that section of the Complaint entitled "Fourth Claim for Relief: Quantum Meruit" contains a legal conclusion to which no response is warranted.

42. Deny the allegations contained in Paragraph 3 of that section of the Complaint entitled "Fourth Claim for Relief: Quantum Meruit."

ANSWERING THE FIFTH ALLEGED CLAIM FOR RELIEF

43. Repeat their responses to the allegations realleged in the first Paragraph of that section of the Complaint entitled "Fifth Claim for Relief: Professional Services Rendered."

44. Paragraph 2 of that section of the Complaint entitled "Fifth Claim for Relief: Professional Services Rendered" states a legal conclusion to which no response is warranted.

45. Deny the allegations contained in Paragraph 3 of that section of the Complaint entitled "Fifth Claim for Relief: Professional Services Rendered."

ANSWERING THE SIXTH ALLEGED CLAIM FOR RELIEF

46. Repeat their responses to the allegations realleged in the first Paragraph of that section of the Complaint entitled "Sixth Claim For Relief: Indemnity and Cross Guarantees."

47. Deny the allegations contained in Paragraph 2 of that section of the Complaint entitled "Fifth Claim for Relief: Indemnity and Cross-Guarantees."

48. Deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 3 of that section of the Complaint entitled "Fifth Claim for Relief: Indemnity and Cross-Guarantees," except admit that Inkombank asserts certain claims against Zeltser and respectfully refer the Court to the Counterclaims herein for a statement of Inkombank's claims against Zeltser.

49. Deny the allegations contained in Paragraph 4 of that section of the Complaint entitled "Sixth Claim for Relief: Indemnity and Cross-Guarantees."

50. Deny the allegations contained in Paragraph 5 of that section of the Complaint entitled "Sixth Claim for Relief: Indemnity and Cross-Guarantees."

51. Deny the allegations contained in Paragraph 6 of that section of the Complaint entitled "Sixth Claim for Relief: Indemnity and Cross-Guarantees."

ANSWERING THE SEVENTH ALLEGED CLAIM FOR RELIEF

52. Repeat their responses to the allegations realleged in the first Paragraph of that section of the Complaint entitled "Seventh Claim for Relief: Tortious Interference with Business Relationship."

53. Deny the allegations contained in Paragraph 2 of that section of the Complaint entitled "Seventh Claim for Relief: Tortious Interference with Business Relationship."

54. Deny the allegations contained in Paragraph 3 of that section of the Complaint entitled "Seventh Claim for Relief: Tortious Interference with Business Relationship."

55. Deny the allegations contained in Paragraph 4 of that section of the Complaint entitled "Seventh Claim for Relief: Tortious Interference with Business Relationship."

FIRST AFFIRMATIVE DEFENSE

56. The Complaint, and each purported cause of action therein, fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

57. Defendants are not subject to the jurisdiction of this Court.

THIRD AFFIRMATIVE DEFENSE

58. The Complaint is barred, in whole or in part, by the doctrines of waiver and estoppel.

FOURTH AFFIRMATIVE DEFENSE

59. The Complaint is barred, in whole or in part, by the doctrine of accord and satisfaction.

FIFTH AFFIRMATIVE DEFENSE

60. Inkombank has paid Zeltser in full for the services he rendered to Inkombank and the expenses he incurred in the course of his work for Inkombank.

SIXTH AFFIRMATIVE DEFENSE

61. The sole proximate cause of Zeltser's damages, if any, was the conduct of Zeltser, not Defendants.

SEVENTH AFFIRMATIVE DEFENSE

62. The Complaint is barred, in whole or in part, by reason of Zeltser's unclean hands, including multiple acts of fraud which Zeltser, assisted inter alia by additional Counterclaim Defendants, perpetrated against Inkombank.

EIGHTH AFFIRMATIVE DEFENSE

63. The Complaint is barred, in whole or in part, by reason of Zeltser's breach of his fiduciary duties owed to Inkombank.

NINTH AFFIRMATIVE DEFENSE

64. The Complaint is barred, in whole or in part, by reason of Zeltser's conversion of the property of Inkombank to his own use.

TENTH AFFIRMATIVE DEFENSE

65. The Complaint is barred, in whole or in part, by reason of Zeltser's malpractice.

ELEVENTH AFFIRMATIVE DEFENSE

66. The Complaint is barred, in whole or in part, by the applicable statutes of limitations.

TWELFTH AFFIRMATIVE DEFENSE

67. To the extent either Defendant made any statements concerning Zeltser, such statements were true.

THIRTEENTH AFFIRMATIVE DEFENSE

68. Zeltser's defamation claim does not aver the damages he allegedly suffered with the particularity required by the Federal Rules of Civil Procedure.

FOURTEENTH AFFIRMATIVE DEFENSE

69. Any statements either Defendant may have made concerning Zeltser were expressions of opinion.

FIFTEENTH AFFIRMATIVE DEFENSE

70. Any statements either Defendant may have made regarding Zeltser were privileged.

SIXTEENTH AFFIRMATIVE DEFENSE

71. Zeltser has failed to allege special damages.

SEVENTEENTH AFFIRMATIVE DEFENSE

72. Other than in the allegations contained in the Complaint, Zeltser never demanded that Inkombank pay him any portion of the amount he now claims Inkombank owes him for professional services rendered, and the Complaint otherwise fails to allege the necessary elements of claims for non-payment of professional services rendered, "book account," quantum meruit, or "professional services rendered."

EIGHTEENTH AFFIRMATIVE DEFENSE

73. Zeltser's claims under alleged indemnity and cross-guarantees are barred by the fact that any such alleged agreements were procured by, and are the result of, fraud perpetrated by Zeltser with the aid and assistance of the additional Counterclaim Defendants.

NINETEENTH AFFIRMATIVE DEFENSE

74. Zeltser's claims for alleged tortious interference with business relationships are barred for failure to allege any such business relationships with meaningful specificity and because any such relationships which have existed or which continue to exist are the product of past and on-going frauds perpetrated by Zeltser with the aid and assistance of the additional Counterclaim Defendants.

COUNTERCLAIMS

Defendant/Counterclaim plaintiff Inkombank, by its attorneys, Christy & Viener, as and for its Counterclaims, pursuant to Rule 13 of the Federal Rules of Civil Procedure, against Plaintiff/Counterclaim Defendant Zeltser, and the additional Counterclaim Defendants, Alexander Fishkin, Anna Reid, Fishkin & Reid, Omega Brokerage Services, Inc. ("Omega"), Foreign Investors Portfolio Management, Inc. ("FIPM"), Elena Pelaez, Rachida Mecheri, and John Does 1-10 (collectively, "Counterclaim Defendants"), alleges as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over these Counterclaims pursuant to 28 U.S.C. § 1331 in that they arise under the laws of the United States and 28 U.S.C. § 1332 in that there is diversity of citizenship and the matter in controversy exceeds $50,000.

2. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) because a substantial portion of the acts giving rise to the Counterclaims alleged herein occurred in this district and pursuant to 18 U.S.C. § 1965(a) in that the Counterclaim Defendants transacted their affairs in this district.

THE PARTIES

3. Inkombank is a joint stock banking corporation duly incorporated and existing under the laws and regulations of the Federation of Russia, with offices at Block 1, 14 Nametkina Street, Moscow, 117420, Russia.

4. The records of the New York State Appellate Division, First Department, indicate that Zeltser was admitted in September 1990 and remains an attorney in good standing. Zeltser is a native of the Federation of Russia and a New York State resident. From late 1992 to February 1994 Zeltser served as Inkombank's attorney in the United States and, as such, was responsible for, inter alia, establishing and overseeing Inkombank's United States banking operations. Inkombank terminated Zeltser's services on or about February 22, 1994.

5. Upon information and belief, additional Counterclaim Defendant Alexander Fishkin is a native-born Russian, a New York State resident and licensed to practice law in New York State.

6. Upon information and belief, Counterclaim Defendant Anna Reid is a native-born Russian, a New York State resident and licensed to practice law in New York State.

7. Additional Counterclaim Defendant Fishkin & Reid is a law firm, whose offices are located at 15 Penn Plaza, New York, NY, which is the same building as 401 Seventh Avenue, where Zeltser maintains an office. Though Inkombank knows of no formal connection between Zeltser and Fishkin & Reid, upon information and belief, Fishkin & Reid exists as nothing more than Zeltser's alter ego, and Zeltser controls its affairs. Fishkin & Reid share the same office with Zeltser and, upon information and belief, one of its two partners, additional Counterclaim Defendant Anna Reid, is Zeltser's former wife; its other partner, additional Counterclaim Defendant Alexander Fishkin, is currently married to defendant Reid.

8. Upon information and belief, additional Counterclaim Defendant Elena Pelaez is a native-born Russian residing in New York State. Zeltser arranged for Pelaez to come to the United States and employed her as a legal assistant when the acts giving rise to this action occurred, and may still so employ her. Pelaez also is, or was, Omega's corporate secretary.

9. Upon information and belief, additional Counterclaim Defendant Rachida Mecheri is a native-born Russian residing in New York State. Mecheri is, or was, the president of FIPM.

10. Upon information and belief, additional Counterclaim Defendant Omega is a corporation organized and incorporated in the Marshall Islands, which has an address in the Marshall Islands at R.R.E. Commercial Center, Delap Wing Suite 208, P.O. Box 1405, Majuro, Marshall Islands MH96980, and also has mailing addresses at 245 8th Avenue Box 197, New York, NY, and First Floor, 14/15 Parliament Street, Dublin 2, Ireland. Upon information and belief, Zeltser, Fishkin, Reid, Pelaez, and Mecheri, acting in concert, created and control Omega.

11. Upon information and belief, additional Counterclaim Defendant FIPM is a Marshall Islands Corporation which has an address in the Marshall Islands at R.R.E.

Commercial Center, Delap Wing Suite 201, P.O. Box 1405, Majuro, Marshall Islands MH96980. FIPM also has a mailing address c/o Fishkin & Reid, 15 Penn Plaza, New York, NY and a mailing address at 245 8th Avenue, box 197, New York, NY, the same address as Omega. Upon information and belief, Zeltser, Fishkin, Reid, Pelaez, and Mecheri, acting in concert, created and control FIPM.

12. Additional Counterclaim Defendants John Does 1-10 are persons or entities presently unknown to Inkombank, who or which are either associated with one or more of the other Counterclaim Defendants or are independent persons or entities who have participated in, and are liable for, some or all of the wrongful and illegal conduct described hereinafter. To the extent the same becomes known to Inkombank, the identity of any such additional Counterclaim Defendant(s) and the acts in which they engaged or participated will be pleaded in an amended Counterclaim.

NATURE OF THE ACTION

13. These Counterclaims actions arise from various fraudulent and criminal schemes concocted and carried out by the Counterclaim Defendants, from at least as early as 1992 through March 1994 and beyond, to wrest control illegally of Inkombank's United States holdings, and to control Inkombank's United States affairs through acts of fraud, deceit, forgery, and conversion, all to Inkombank's detriment.

14. In essence, exploiting Inkombank's inexperience in United States banking and investments, Zeltser and the other Counterclaim Defendants masterminded a scheme to defraud Inkombank by looting its United States bank and investment accounts and funneling the money to themselves, through Omega, FIPM, and Fishkin & Reid. The illegal and criminal scheme of the Counterclaim Defendants was carried out through a pattern of activity

orchestrated by Zeltser with the knowing participation by, and the substantial assistance of, the additional Counterclaim Defendants who abused their positions of trust in order to effectuate their scheme.

FACTUAL ALLEGATIONS

Background

15. Incorporated in 1988, Inkombank is now one of Russia's largest banks, with over $3 billion in assets. Inkombank's investment activities were confined to the Federation of Russia until 1992 when it opened an investment account at Lehman Brothers in London. Having never before invested in a Western market, Inkombank maintained an extremely conservative portfolio at Lehman Brothers, investing almost exclusively in U.S. Treasury bonds, Eurobonds and bonds of financial institutions with AAA, AA and A ratings.

16. Inkombank's investment experience at Lehman Brothers was quite positive, its portfolio growing at a significant annual rate. In early 1993, Inkombank decided to explore slightly more aggressive investment options in the United States in tandem with its conservative Lehman Brothers account. A novice on United States investments, Inkombank needed guidance in establishing and maintaining a portfolio in the United States. Unfortunately for Inkombank, as described below, Zeltser had simultaneously insinuated himself into Inkombank's affairs, embarking upon a fraudulent campaign to gain influence over Inkombank's United States operations.

17. Inkombank first retained Zeltser in late 1992 in connection with an unrelated matter involving a commercial lease and a letter of credit underwritten by Citibank and guaranteed by Inkombank. Zeltser fraudulently parlayed his originally-narrow retainer on this

matter into a much broader role in Inkombank affairs, becoming essentially its attorney for all United States matters. Falsely representing to Inkombank's senior officers that he would faithfully supervise Inkombank's United States affairs, stressing his familiarity with both Russian and United States business, and claiming that he was a highly regarded attorney, Zeltser wrongfully gained influence over a wide array of Inkombank's activities in the United States, including arranging for the establishment of bank and investment accounts in the name of Inkombank and its subsidiaries.

Zeltser Introduces Inkombank to Smith Barney

18. Zeltser's responsibilities included helping Inkombank locate a trustworthy United States investment firm with which it could do business. In March 1993, Zeltser telephoned Inkombank's chairman, Vladimir Vinogradov, to arrange a meeting with Donald Redfern, an officer of the investment firm of Smith Barney, at Smith Barney's New York City offices. Though he claimed to know many other United States brokers, Zeltser encouraged Vinogradov to use Redfern, because he intended to manipulate Redfern to facilitate his fraudulent schemes.

19. In March 1993, Vinogradov, Vladimir Doudkin, at that time a Deputy Chairman of Inkombank, and Zeltser met with Redfern at Smith Barney's Park Avenue office. At this meeting, Vinogradov and Doudkin told Redfern that Inkombank wanted to open a moderately aggressive investment account but lacked experience in the United States market, and believed that no one at Inkombank could manage such a portfolio. Doudkin told Redfern that Inkombank hoped to learn enough from watching Redfern and Smith Barney to manage its own portfolio in the future.

20. At the same meeting, Vinogradov and Doudkin told Redfern that Inkombank wanted to establish a transfer account, which would be strictly segregated from the investment account, with no money from the transfer account ever to be used for investments.

21. Redfern advised Inkombank to open a discretionary investment account with Smith Barney, meaning that Redfern, rather than Inkombank, would make all the investment decisions. After a number of telephone calls from Redfern to Doudkin in March and April 1993, in which Redfern, inter alia, promised to keep Inkombank regularly informed of his investment decisions and the portfolio's performance, Inkombank decided in April 1993 to open a discretionary investment account and a transfer account with Smith Barney. Both accounts were to be managed by Redfern. Inkombank directed Zeltser to prepare the appropriate paperwork.

22. In the course of these discussions, Zeltser was, upon information and belief, working behind Doudkin's back and seeking to set up the Smith Barney accounts in such a way as to be able to plunder them for his own purposes. Zeltser made a number of proposals to Smith Barney for "splitting commissions" which Smith Barney rejected, but he did succeed in interposing himself between Inkombank and Smith Barney, such that authorization for account activities was to be controlled by Zeltser.

Counterclaim Defendants Improperly
Prepare Inkombank's Account Documents

23. Having secured his foil in the persons of Redfern and Doudkin, Zeltser then fraudulently prepared Inkombank's Smith Barney documents in order to gain access to the accounts and to conceal the accounts' activities from Inkombank. First, in April 1993 Zeltser telephoned Doudkin knowingly and wrongly to advise him that, under American law,

Inkombank could not open accounts at Smith Barney unless it listed a domestic address and designated an American as corporate secretary on the account documents.

24. In the same telephone conversation, Zeltser suggested that his office could and should serve as Inkombank's address of record and that his employee, Pelaez, be designated Inkombank's secretary. Believing such steps to be necessary under United States law, and trusting Zeltser to protect its legal and economic interests, Inkombank, through Doudkin, consented to Zeltser's suggestions.

25. Upon information and belief, acting individually or in concert with one or more of the other Counterclaim Defendants, in early April 1993, Zeltser mailed to Inkombank in Moscow Smith Barney account opening documents listing Zeltser's address as Inkombank's address of record, and Pelaez as Inkombank's secretary. Over the next few months, Zeltser also mailed to Inkombank "Mail Waiver Forms," permitting and authorizing Redfern to send all correspondence regarding the accounts to Zeltser instead of Inkombank. After obtaining the necessary signatures, Inkombank returned the account opening documents and mail waiver forms to Zeltser, directing him to send the documents to Redfern.

26. Upon information and belief, in September, October and December 1993, Zeltser mailed to Inkombank blank Smith Barney Standing Letters of Authorization ("SLAs") enabling Smith Barney to transfer funds from Inkombank's accounts according to the specifications provided on the form. When Inkombank's officers signed the forms, a box permitting Smith Barney to transfer funds to other Smith Barney accounts upon "verbal request" was unchecked. Inkombank's officers did not check the "verbal request" box because they believed money should be transferred only upon written authorization, as is required under

Russian law, and as they believed to be standard practice throughout the financial world. Inkombank returned the SLAs in that form to Zeltser, directing him to send the same to Redfern.

27. When Zeltser received the completed SLAs from Inkombank, he, acting individually or in concert with one or more of the other Counterclaim Defendants, checked the "verbal request" box on the documents, and mailed the doctored forms to Smith Barney. The purpose of this fraud -- and a pattern of activity that was to become the signature card of Zeltser -- was to enable the Counterclaim Defendants to act as if their subsequent illegal actions had been duly authorized by Inkombank.

28. As another part of this fraudulent scheme, Zeltser attempted to open Inkombank's first Smith Barney account in the name of "Inkombank (New York) Ltd." a corporation created and controlled by Zeltser, rather than in Inkombank's proper corporate name. Zeltser mailed the fraudulent account application to Doudkin, who noticed the discrepancy and immediately directed Redfern to record the account under Inkombank's proper name. Zeltser, who was careful to squelch anything that might arouse Inkombank's suspicion, readily consented and substituted Inkombank's proper corporate name.

29. Thereafter, accounts were opened at Smith Barney for the benefit of Inkombank as follows: Joint Stock Bank "Inkombank" Moscow, 344-79472; Joint Stock Bank "Inkombank" Moscow, Special Account, 344-79625; Joint Stock Bank "Inkombank" Cyprus, Inc., 344-79663; Hoverwood Limited Investment Account, 344-79581; Hoverwood Limited Special Account, 344-79675; and Hoverwood Limited Transfer Account, 344-79582. Hoverwood Limited is a wholly-owned subsidiary of Inkombank ("Hoverwood"). Inkombank's initial deposits into the Smith Barney accounts exceeded $30 million.

Omega and FIPM

30. Upon information and belief, one or more of the individual Counterclaim Defendants used FIPM and Omega to serve as conduits for the money they planned to steal. To facilitate the illegal transfers from Inkombank's Smith Barney accounts, the individual Counterclaim Defendants opened accounts at Smith Barney in FIPM's and Omega's names in June and November 1993, respectively. The opening documents for these accounts list Pelaez as the corporate secretary, and designate 245 8th Avenue, Box 197, New York, NY as the address of record. FIPM's account opening documents also show Mecheri as its president. The FIPM account lists two addresses on the account documents, one c/o Emanuel Zeltser, 15 Penn Plaza, New York, NY, and the other c/o Fishkin & Reid, 245 8th Avenue, Box 197, New York, NY. Upon information and belief, Box 197 at 245 8th Avenue, the address provided for both FIPM and Omega, is simply a mail box maintained by one or more of the individual Counterclaim Defendants.

31. Inkombank has not yet been able to definitively trace the ownership or purpose of Omega Brokerage. Upon information and belief, Omega Brokerage was the shell organization that the Counterclaim Defendants created originally for the subsequently vetoed purpose of sharing commissions with Smith Barney. Zeltser was able to cloak Omega with the patina of legitimacy because Inkombank was genuinely interested in learning from its anticipated United States investment accounts experience, with the goal of eventually being able to manage for itself much of its investment portfolio. Here again, Zeltser manipulated his own client with the intention of creating a vehicle to line his own pockets with monies stolen from Inkombank.

32. To date, Inkombank has been unable to trace the ownership or purpose of FIPM. During Inkombank's subsequent investigation, Zeltser contended that FIPM was a

vehicle allegedly set up by unidentified stockholders of Inkombank to facilitate their ability to move monies out of Russia in the event of a political crisis. Inkombank had consulted with Zeltser about establishing offshore entities to provide back-up capital for its international business and to serve as vehicles for international investments. Regardless of whether Zeltser created FIPM pursuant to Inkombank's instructions, he subsequently exercised complete control over FIPM and used it to Inkombank's detriment by funneling to FIPM a portion of the funds which he, with the assistance of the other Counterclaim Defendants, stole from Inkombank.

The Smith Barney Accounts Fraud

33. Having laid the groundwork for their fraud, the Counterclaim Defendants began a two-pronged attack on Inkombank's Smith Barney accounts. As one prong of their fraud, one or more of them caused millions of dollars in cash and mutual funds to be transferred from Inkombank accounts to Omega's and FIPM's accounts at Smith Barney.

34. Specifically, on December 30 and 31, 1993, and January 3, 1994, one or more of the individual Counterclaim Defendants caused, by telephonic directions to Redfern, mutual funds shares belonging to Inkombank to be transferred from Smith Barney account number 344-79582 in the name of Hoverwood, to Omega's Smith Barney account number 344-79695 as follows:

(i) on December 30, 1993, 29,973.777 shares of Smith Barney International Funds Pacific Basin Fund belonging to Inkombank were transferred to Omega's Smith Barney account;

(ii) on December 31, 1993, 34,858.395 shares of Smith Barney International Funds Mexico Premium Income belonging to Inkombank were transferred to Omega's Smith Barney account; and

(iii) on January 3, 1994, 17,396.924 shares of Smith Barney International Funds Mexico Premium Income belonging to Inkombank were transferred to Omega's Smith Barney account.

35. On or about February 9, 1994, at the direction of one or more of the individual Counterclaim Defendants, Omega sold the mutual funds converted from Inkombank for $1,004,383.21. In a letter dated February 9, 1994, Pelaez directed Redfern to transfer to an Omega account that had been established at Republic National Bank, New York, NY, account number 250040921, $900,000 of the $1,004,383.21 realized from liquidating the stolen mutual funds. Upon information and belief, one or more of the individual Counterclaim Defendants controlled the Republic National Bank account and subsequently transferred the stolen money from it to various foreign safe havens.

36. The Omega transfers were effected by one or more of the Counterclaim Defendants without Inkombank's approval or knowledge. Inkombank never received any consideration for the mutual funds funneled to Omega and only learned of the illegal transfers after it discharged Zeltser and conducted a thorough investigation of its Smith Barney accounts.

37. Additionally, from September 1993 to March 1994, one or more of the individual Counterclaim Defendants caused cash and mutual funds belonging to Inkombank to be transferred illegally to the FIPM account at Smith Barney as follows:

(i) on September 10, 1993, 2,000,000 shares of General Motors Acceptance Corp. Notes were transferred from Inkombank account number 344-79472, and 1,500,000 shares of General Motors Acceptance Corp. Notes were transferred from Hoverwood account number 344-79582 to FIPM's Smith Barney account, number 344-79545. FIPM retained the notes until $122,500 in interest became due on September 15, 1993. On September 17, 1993, after it received the $122,500 interest payment, one or more of the individual Counterclaim Defendants caused FIPM to transfer the GMAC Notes back to Inkombank, retaining the interest payment for its own benefit;

(ii) on December 29, 1993, 19,401.778 shares of Smith Barney Shearson Telecom Growth FD were transferred from Hoverwood's account number 344-79582 at Smith Barney to FIPM's account number 344-79545 at Smith Barney;

(iii) on December 29, 1993, 12,910.167 shares of Smith Barney Shearson Strategic Investment Fund were transferred from Hoverwood's account number 344-79582 at Smith Barney to FIPM's account number 344-79545 at Smith Barney;

(iv) on December 30, 1994, 56,955.56 shares of Smith Barney International Funds Division Strategic Income FD were transferred from Hoverwood's account number 344-79582 at Smith Barney to FIPM's account number 344-79545 at Smith Barney;

(v) on January 3, 1994, 17,585.133 shares of Smith Barney International Funds Division Strategic Income FD transferred from Hoverwood's account at Smith Barney number 344-79582 to FIPM's account at Smith Barney number 344-79545; and

(vi) on January 6, 1994, $151,211.33 was transferred from Hoverwood's account number 344-79675 at Smith Barney to FIPM's account number 344-79545 at Smith Barney.

38. Upon information and belief, one or more of the individual Counterclaim Defendants ordered each of the aforesaid illegal transfers to the FIPM account at Smith Barney via telephonic instructions to Redfern on or about September 10 and 17, 1993, December 29 and 30, 1993, and January 3 and 6, 1994.

39. On or about February 3 and 4, 1994, one or more of the individual Counterclaim Defendants further directed Redfern to liquidate the mutual funds FIPM had stolen from Inkombank as aforesaid. In the next few days, Redfern liquidated the stolen mutual funds for $1,340,380.40, and transferred that amount from FIPM's Smith Barney account number 344-79545 to an account which FIPM had established at Chemical Bank, account number 201-5001-32868, along with the $273,711 in cash FIPM had stolen from Inkombank. Mecheri authorized the transfer to Chemical Bank in a letter to Redfern dated February 7, 1994.

40. The FIPM transfers were effected by one or more of the Counterclaim Defendants without Inkombank's approval or knowledge. Inkombank never received any consideration for the mutual funds or cash funneled to FIPM and only learned of the illegal transfers after it discharged Zeltser and conducted a thorough investigation of its Smith Barney accounts.

41. Despite exhaustive investigatory efforts, Inkombank has been unable, as of the present, to determine what happened to the proceeds of the aforesaid liquidated mutual funds and cash that were diverted first to the FIPM accounts at Smith Barney and then to the FIPM account at Chemical Bank. Upon information and belief, one or more of the individual Counterclaim Defendants controlled the FIPM Chemical Bank account and subsequently transferred the stolen monies from it to various foreign safe havens.

42. During the late 1993-early-1994 period when the illegal and fraudulent transfers were being consummated by the Counterclaim Defendants, Zeltser continually assured Doudkin that all was well and in order with respect to Inkombank's Smith Barney accounts. Having initially interposed himself as the recipient of the various Smith Barney account statements, Zeltser, and those acting in concert with him, including the other Counterclaim Defendants, were able to conceal the true nature of the activity in the accounts from Inkombank.

43. Although Zeltser was not actually discharged until February 1994, the attorney-client relationship between him and Inkombank was marked with problems and dissatisfaction on the part of Inkombank. Throughout 1993, Inkombank repeatedly requested that Zeltser send copies of all documents pertaining to his work for Inkombank, but Zeltser would not comply with Inkombank's requests. Because Zeltser would not comply with the oral requests for documents, Inkombank began making written requests for documents in early 1994. Zeltser then refused to comply with Inkombank's written requests, and in November 1994, Inkombank filed a complaint with the Departmental Disciplining Committee of the First Judicial Department of the New York Supreme Court, Appellate Division.

The Chemical Bank Theft

44. In late 1993, Inkombank also decided to open a transfer account at Chemical Bank, account number 201-5000026-65, in Hoverwood's name. As of that date, Inkombank was totally unaware of the schemes and fraudulent intentions of the Counterclaim Defendants.

45. Accordingly, in or around November 1993, Zeltser and Inkombank employee Elena Egoricheva met with a Chemical Bank representative to open the Hoverwood transfer account. As before, Inkombank directed Zeltser to prepare the necessary documentation. Once again, Zeltser seized upon this opportunity to gain a foothold in the new account and to provide a means of concealing the account's true activity from Inkombank. Zeltser forged Doudkin's signature on one account card and directed one of his female operatives to sign another card in her name, again designating his office as the address of record. Similarly, Zeltser arranged for the account's monthly statements to be sent to him, and conveniently failed to forward the same onto Inkombank in Moscow.

46. Upon information and belief, on or about February 24, 1994, one or more of the individual Counterclaim Defendants caused the illegal transfer to Fishkin & Reid of $2.18 million from the Hoverwood Chemical Bank account. Upon information and belief, this transfer was directed by instructions from Zeltser or one of his operatives to Chemical Bank, and Zeltser was motivated, at least in part, by the fact that Inkombank had both retained substitute United States counsel and had notified Zeltser that he was being discharged.

47. Inkombank never authorized this illegal transfer to Fishkin & Reid, and the same was not discovered by Inkombank until its subsequent investigation was conducted.

Nor did Inkombank ever receive any consideration for the $2.18 million transferred to Fishkin & Reid from the Chemical Bank transfer account.

FIRST CAUSE OF ACTION

Common Law Fraud/Aiding and Abetting Fraud

48. Inkombank repeats and realleges, as if fully set forth herein, the allegations contained in the foregoing paragraphs.

49. By virtue of his position as Inkombank's attorney, Zeltser owed Inkombank the strictest of fiduciary duties. Zeltser was thus obligated to discharge his employment duties with full disclosure, fair dealing, and honesty in fact.

50. Zeltser intentionally misrepresented material facts to Inkombank, including, without limitation, the following:

a. in December 1992 and January 1993, in telephone calls from New York to Moscow, as well as conversations occurring in Moscow, Zeltser falsely told Vinogradov and Doudkin that he would faithfully supervise Inkombank's United States affairs, when, in fact, he planned to defraud Inkombank;

b. in late March 1993, Zeltser falsely told Doudkin and Vinogradov that Redfern and Smith Barney would independently and faithfully manage Inkombank's investments when in fact Zeltser was concocting a scheme to control the Smith Barney accounts;

c. in early April 1993, in various phone calls from New York to Moscow, Zeltser falsely told Doudkin and Vinogradov that he would help monitor Inkombank's accounts at Smith Barney when his plan was actually to conceal the activity in the accounts from Inkombank;

d. in April 1993, in a telephone call from New York to Moscow, Zeltser falsely and knowingly told Doudkin that Inkombank could not open banking accounts in the United States without designating an American as corporate secretary;

e. also in April 1993, in a telephone call from New York to Moscow, Zeltser knowingly and falsely told Doudkin that Inkombank could not open an account with Smith Barney unless it listed an American address on its account opening documents; and

f. in October, November and December 1993, in telephone calls from New York to Moscow, Zeltser knowingly, falsely and repeatedly told Doudkin that he was monitoring the Smith Barney accounts and that all was in order.

51. Zeltser also failed to disclose facts to Inkombank which he knew to be material, including, without limitation, the following:

a. that in listing his operatives, including one or more of the individual Counterclaim Defendants, as corporate secretaries, and designating his address as Inkombank's address of record, Zeltser planned to gain access to the Smith Barney and Chemical accounts, and to conceal the activity in those accounts;

b. that, with the assistance of one or more of the other individual Counterclaim Defendants, he planned to use and did use Omega, FIPM and Fishkin & Reid as conduits for the funds he planned to steal from Inkombank;

c. that he, with the assistance of one or more of the other individual Counterclaim Defendants, without Inkombank's authorization or knowledge, illegally transferred mutual funds owned by Inkombank to Omega, and sold the mutual funds for the benefit of himself and the other Counterclaim Defendants;

d. that he, with the assistance of one or more of the other individual Counterclaim Defendants, without Inkombank's authorization or knowledge, illegally transferred to FIPM cash and mutual funds belonging to Inkombank for the benefit of himself and the other Counterclaim Defendants; and

e. that he, with the assistance of one or more of the other individual Counterclaim Defendants, without Inkombank's authorization or knowledge, illegally transferred to Fishkin & Reid money belonging to Inkombank for the benefit of himself and the other Counterclaim Defendants..

52. As Zeltser intended, Inkombank relied upon Zeltser's material misrepresentations and omissions by, inter alia, using Redfern and Smith Barney to manage its

investments, allowing Zeltser to prepare the paperwork for its accounts, permitting Zeltser's address to be listed on its account opening statements, allowing Zeltser's operatives to be designated corporate secretaries, and otherwise entrusting Zeltser to look after and supervise its investment accounts in the United States.

53. Upon information and belief, each of the Counterclaim Defendants knowingly participated in and/or rendered substantial assistance to one or more of the aforealleged frauds masterminded and perpetrated by Zeltser.

54. As a direct and proximate result of Zeltser's misrepresentations, actions and omissions, and the aiding and abetting thereof by the other Counterclaim Defendants, Inkombank has suffered and will continue to suffer direct, consequential and incidental damages, including without limitation, the loss of at least $5,000,000 in mutual funds and cash stolen from Inkombank's Smith Barney and Chemical Bank accounts, the income which would have and should have been generated therefrom, and substantial fees and expenses incurred in attempting to uncover and minimize the damages caused by the Counterclaim Defendants' frauds.

SECOND CAUSE OF ACTION

Conversion

55. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as if set forth fully herein.

56. As heretofore alleged, in a series of fraudulent transactions, one or more of the Counterclaim Defendants caused mutual fund shares owned by Inkombank to be transferred to Omega and FIPM. The Counterclaim Defendants, acting in concert, later liquidated the stolen mutual fund shares for a sum totaling at least $2,344,763, and diverted the

same for their own use. Despite due demand therefor, the Counterclaim Defendants have failed to return any of the mutual fund shares.

57. Additionally, the Counterclaim Defendants, acting in concert, caused at least $2,553,711 in cash owned by Inkombank to be transferred to FIPM and Fishkin & Reid, again diverting the same for their own use. Despite due demand therefor, the Counterclaim Defendants have failed to return Inkombank's money.

58. At all times relevant herein, Inkombank was the legal owner of the mutual funds and cash illegally funneled by the individual Counterclaim Defendants to FIPM, Omega and Fishkin & Reid.

59. By reason of the foregoing acts of conversion, Inkombank has sustained damages in a precise amount to be determined at trial, but believed to be in excess of $5,000,000.

THIRD CAUSE OF ACTION

Unjust Enrichment

60. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as if fully set forth herein.

61. As heretofore alleged, the Counterclaim Defendants enriched themselves in the amount of at least $5,000,000 by fraudulently transferring and converting mutual funds and cash belonging to Inkombank.

62. The Counterclaim Defendants' enrichment came at the expense of Inkombank, which received no consideration for the converted monies and mutual funds.

63. Under the circumstances, principles of equity dictate that the Counter-claim Defendants should return the monies stolen from Inkombank with which they have been unjustly enriched.

64. By reason of the foregoing, Inkombank has been damaged in a precise amount to be determined at trial, but believed to be in excess of $5,000,000.

FOURTH CAUSE OF ACTION

Money Had And Received

65. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

66. Counterclaim Defendants have wrongfully received certain sums from Inkombank, including, but not limited to, the aforementioned fraudulently transferred and converted mutual funds and cash.

67. By reason of the foregoing, the Counterclaim Defendants are liable under principles of restitution and the doctrine of money had and received, and Inkombank is entitled to recover damages in a precise amount to be determined at trial, but believed to be in excess of $5,000,000.

FIFTH CAUSE OF ACTION

Constructive Trust

68. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

69. Counterclaim Defendants have unjustly enriched themselves by wrong-fully seizing and converting to their own use the mutual funds and cash described in the foregoing allegations and causes of action.

70. By reason of the foregoing, the above-described mutual funds and cash are the property of Inkombank and a constructive trust should be imposed over said res.

71. Inkombank has no adequate remedy at law.

SIXTH CAUSE OF ACTION

Breach of Fiduciary Duty/Aiding and Abetting Said Breach

72. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

73. By virtue of his position as attorney and trusted advisor for Inkombank, Zeltser owed Inkombank the strictest of fiduciary duties. Zeltser was thus obligated to discharge his employment duties with full disclosure, fair dealing, and honesty in fact.

74. By reason of the fraudulent and illegal conduct heretofore alleged, Zeltser has breached his fiduciary duties to Inkombank.

75. Each of the other Counterclaim Defendants knowingly participated in and/or rendered substantial assistance to Zeltser's breaches of his fiduciary duties to Inkombank.

76. By reason of the foregoing, Inkombank has sustained damages in a precise amount to be determined at trial, but believed to be in excess of $6,000,000.

SEVENTH CAUSE OF ACTION

Legal Malpractice

77. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

78. At all times relevant, Zeltser was retained by Inkombank to act as its attorney, and until his discharge in February 1994, did so act. Thus, an attorney-client relationship existed between Zeltser and Inkombank.

79. By reason of all of his conduct heretofore alleged, Zeltser failed to perform legal services or to render legal advice in a proper and honest manner, or in a way imposed by law in accordance with the standards of the legal profession in New York.

80. By reason of the foregoing, Inkombank has suffered damages in a precise amount to be determined at trial, but believed to be in excess of $6,000,000.

EIGHTH CAUSE OF ACTION

RICO, 18 U.S.C. § 1962(a), (b), (c) and (d)

81. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as if set forth fully herein.

82. Each Counterclaim Defendant is a "person" as defined in 18 U.S.C. § 1961(3), as that term includes "any individual or entity capable of holding a legal or beneficial interest in property."

83. At all times relevant, the Counterclaim Defendants, in association with each other, together constituted an enterprise (the "Enterprise") within the meaning of 18 U.S.C. § 1961(4); that is, a group of individuals associated in fact. The Enterprise is engaged in and its activities affect interstate and foreign commerce.

84. At all times relevant, each of the Counterclaim Defendants was associated with the Enterprise.

85. The Enterprise poses a long-term threat of racketeering activity in that it existed for criminal purposes and the predicate acts were its regular way of doing business.

86. The purposes of the Enterprise included, without limitation: (a) gaining control of Inkombank's United States banking accounts through fraud, deceit, and chicanery; (b) misrepresenting United States banking law to Inkombank in order to facilitate its infiltration of

Inkombank's domestic banking accounts; (c) tampering with Inkombank's account documents, including forging the signature of one or more of Inkombank's officers to gain access to Inkombank's banking accounts in the United States, and to conceal the true activity of those accounts; (d) stealing millions of dollars from Inkombank's United States accounts; (e) diverting and securing the proceeds of the theft for its own benefit; and (f) concealing all of the afore-mentioned activities from Inkombank.

87. In furtherance of their scheme to defraud Inkombank, the Counterclaim Defendants used and caused the use of the U.S. Postal Service and wires, within the meaning of 18 U.S.C. §§ 1341 and 1343, to accomplish the transmittal of various writings, signs and signals over and through the interstate and foreign mails and wires, with the intention and effect of defrauding Inkombank, including, but not limited to the following:

a. upon information and belief, in furtherance of the fraud, Zeltser telephoned Vinogradov repeatedly in January and February 1994 to lobby for a greater role in Inkombank affairs;

b. upon information and belief, in March 1993, Zeltser telephoned Vinogradov and Doudkin in Moscow to suggest that Inkombank use Redfern as its investment banker in the United States;

c. Zeltser, in April 1993, telephoned Doudkin in Moscow to advise him wrongly that American law required Inkombank to designate an American secretary and address on its account documentation;

d. Zeltser, acting individually or in concert with one or more of the other Counterclaim Defendants, in April, May, October and December 1993, mailed to Inkombank through the United States mails Smith Barney account opening documents listing Zeltser's address, and designating Pelaez as Inkombank's secretary;

e. in April, May, October and December, 1993, Zeltser, acting individually or in concert with one or more of the other Counterclaim Defendants, mailed to Redfern through the United States mails Inkombank's executed account opening documents;

f. in June and November 1993, Zeltser caused Redfern to mail to one or more of the Counterclaim Defendants Smith Barney account opening documents for Omega and FIPM;

g. upon information and belief, sometime in June and November 1993, one or more of the individual Counterclaim Defendants caused to be mailed to Redfern executed account opening documents for FIPM and Omega;

h. on December 30 and December 31, 1993, and January 3, 1994, one or more of the individual Counterclaim Defendants, acting individually or in concert, telephoned Redfern to order the wrongful transfer of mutual funds shares from account number 344-79582 in the name of Hoverwood to Omega's Smith Barney account number 344-79695;

i. on or about February 9, 1994, one or more of the individual Counterclaim Defendants, acting individually or in concert, telephoned Redfern to direct him to sell the mutual funds wrongfully transferred to Omega;

j. on or about February 9, 1994, Pelaez caused a letter to be sent through the United States mails directing Redfern to transfer to Omega's account at Republic National Bank, account number 250040921, $900,000 of the money Omega wrongfully gained from liquidating the stolen mutual funds;

k. on or about January 6, 1994, one or more of the individual Counterclaim Defendants telephoned Redfern to direct him to transfer $151,211.33 from Smith Barney's Hoverwood account number 344-79675, to FIPM's Smith Barney account number 344-79545;

l. on or about September 15, 1993, one or more of the individual Counterclaim Defendants telephoned Redfern directing him to transfer General Motors Acceptance Corp. notes owned by Inkombank to FIPM's Smith Barney account number 344-79545;

m. on or about December 29, 1993, one or more of the individual Counterclaim Defendants telephoned Redfern to direct him to transfer mutual funds shares belonging to Inkombank from Hoverwood's account at Smith Barney number 344-79582 to FIPM's Smith Barney account number 344-79545;

n. on or about December 30, 1993, one or more of the individual Counterclaim Defendants telephoned Redfern ordering him to transfer mutual funds shares owned by Inkombank from Smith Barney's Hoverwood account number 344-79582, to FIPM's Smith Barney account number 344-79545;

o. on or about January 4, 1994, one or more of the individual Counterclaim Defendants telephoned Redfern directing him to transfer mutual

funds shares owned by Inkombank from Smith Barney's Hoverwood account number 344-79582, to FIPM's Smith Barney account number 344-79545;

p. on or about February 3, 1994 one or more of the individual Counterclaim Defendants telephoned Redfern ordering him to sell a portion of the mutual funds transferred from Inkombank to FIPM on December 29, 30, 1993 and January 4, 1994;

q. on or about February 7, 1994, one or more of the individual Counterclaim Defendants telephoned Redfern ordering him to sell the remaining portion of mutual funds stolen from Inkombank on December 29, 30, 1993 and January 4, 1994;

r. on or about February 7, 1994, Mecheri mailed to Redfern a letter directing that $2,509,230, representing the total amount converted from Inkombank at Smith Barney, less various transaction fees paid to Smith Barney and investment losses, be transferred from the FIPM Smith Barney account number 344-79545 to the FIPM Chemical Bank account number 201-5001-32868; and

s. upon information and belief, on or about February 24, 1994, one or more of the individual Counterclaim Defendants telephoned an account representative of Chemical Bank to order the illegal transfer of $2.18 million belonging to Inkombank from Chemical Bank account number 201-5000026-65, standing in Hoverwood's name, to Fishkin & Reid.

88. The conduct described above constitutes a series of mail and wire frauds under 18 U.S.C. §§ 1341 and 1343, and further constitutes "racketeering activity" within the meaning of 18 U.S.C. § 1961(1).

89. As heretofore and above alleged, in furtherance of their scheme to defraud Inkombank, one or more of the individual Counterclaim Defendants repeatedly violated 18 U.S.C. § 1344, which prohibits fraud perpetrated against financial institutions, by virtue of the following:

a. fraudulently preparing Inkombank's Smith Barney account opening documents in furtherance of their illegal scheme to obtain monies held under Smith Barney's control;

b. fraudulently forming Omega and FIPM in order to serve as receptacles for the monies they planned to steal from Inkombank's accounts at Smith Barney;

c. opening accounts at Smith Barney and Chemical Bank in the names of Omega and FIPM to facilitate their theft of monies held by Smith Barney;

d. transferring, diverting, converting and stealing mutual funds and cash belonging to Inkombank which were under Smith Barney's control at the time of the theft;

e. wrongfully opening a Hoverwood account at Chemical Bank by forging Doudkin's signature and improperly listing the account owner in furtherance of their plan to steal money controlled by Chemical Bank and belonging to Inkombank; and

f. transferring, diverting, converting and stealing monies belonging to Inkombank and held at Chemical Bank via transfer of the same to Fishkin & Reid.

90. As previously alleged, the Counterclaim Defendants engaged in a pattern of fraudulent acts designed knowingly and wrongfully to obtain mutual funds and cash from Inkombank's Smith Barney and Chemical Bank accounts. This conduct constitutes bank fraud within the meaning of 18 U.S.C. § 1344 and further constitutes "racketeering activity" as defined in 18 U.S.C. § 1961(1).

91. The Counterclaim Defendants also repeatedly violated 18 U.S.C. § 2314, which prohibits interstate or foreign transportation of more than $5,000 in stolen money. Upon information and belief, they knowingly funneled their stolen money to various safe havens around the world. Such conduct constitutes a violation of 18 U.S.C. § 2314, and further constitutes "racketeering activity" as defined in 18 U.S.C. § 1961(1).

92. The Counterclaim Defendants have also violated 18 U.S.C. § 2315, prohibiting the knowing receipt of stolen money which has crossed state or national borders. Upon information and belief, on repeated occasions, the Counterclaim Defendants knowingly

received the money stolen from Inkombank after it had crossed state and/or national boundaries. This conduct constitutes violations of 18 U.S.C. § 2315, and therefore, constitutes "racketeering activity" as defined in 18 U.S.C. § 1961(1).

93. The aforedescribed racketeering activities were part of a common, interrelated ongoing scheme in furtherance of the same goal, i.e., to defraud Inkombank. The Counterclaim Defendants' activities and their criminal acts were part of an ongoing scheme and formed a "pattern of racketeering activity" within the meaning of 18 U.S.C. § 1961(5).

94. The Counterclaim Defendants have used the income derived from their fraudulent conduct in the establishment and operation of the Enterprise within the meaning of 18 U.S.C. § 1962(a).

95. The Counterclaim Defendants have acquired and maintained control of the Enterprise through a pattern of racketeering activity within the meaning of 18 U.S.C. § 1962(b).

96. The Counterclaim Defendants, in association with the Enterprise, have conducted or participated in the affairs of the Enterprise through a pattern of racketeering activity within the meaning of 18 U.S.C. § 1962(c).

97. Each of the Counterclaim Defendants agreed to commit and knowingly participated in the predicate acts alleged above in furtherance of their plan to defraud Inkombank in violation of 18 U.S.C. § 1962(a),(b) and (c). In so doing, the Counterclaim Defendants violated 18 U.S.C. § 1962(d).

98. Inkombank has been, and continues to be, injured in its business and property as a result of the Counterclaim Defendants' violations of 18 U.S.C. § 1962. Inkombank has been directly and proximately damaged by Counterclaim Defendants' violations in a precise amount to be determined at trial, but believed to be in excess of $6,000,000, before trebling

pursuant to 18 U.S.C. § 1964(c). Inkombank is further entitled to recover reasonable attorneys' fees and the costs of this action pursuant to 18 U.S.C. § 1964(c).

NINTH CAUSE OF ACTION

RICO, 18 U.S.C. § 1962(a), (b), (c) and (d)

99. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as if set forth fully herein.

100. The Counterclaim Defendants are "persons as defined in 18 U.S.C. § 1961(3), as that term includes "any individual or entity capable of holding a legal or beneficial interest in property."

101. At all times relevant, Inkombank constituted an enterprise (the "Enterprise") within the meaning of 18 U.S.C. § 1961(4). Inkombank is engaged in and its activities affect interstate and foreign commerce.

102. At all times relevant, the Counterclaim Defendants Zeltser, Fishkin, Reid, Fishkin & Reid, Pelaez, and Mecheri were associated with the Enterprise.

103. As heretofore alleged, the Counterclaim Defendants engaged in a fraudulent scheme to enrich themselves to the detriment and at the expense of Inkombank by: a) gaining control of Inkombank's United States banking accounts through fraud, deceit, and chicanery; b) misrepresenting United States banking law to Inkombank in order to facilitate the Enterprise's infiltration of Inkombank's domestic banking accounts;' c) tampering with Inkombank's account documents, including forging Inkombank officer's signatures, to gain access to Inkombank's banking accounts in the United States, and to conceal the true activity of those accounts from the United States; d) stealing millions of dollars from Inkombank's United States accounts; e) transferring the stolen funds to entities they controlled in order to divert

and/or secure the proceeds of the theft for their own benefit; and f) concealing all of the aforementioned activities from Inkombank.

104. In furtherance of their scheme to defraud Inkombank, the Counterclaim Defendants used and caused the use of the U.S. Postal Service and wires, within the meaning of 18 U.S.C. §§ 1341 and 1343, to accomplish the transmittal of various writings, signs and signals over and through the interstate and foreign mails and wires, with the intention to defraud Inkombank, including without limitation, all of the acts, communications, transmittals, transfers and diversions of funds, monies and accounts heretofore alleged, and the same are incorporated herein.

105. Said conduct constitutes a series of mail and wire frauds under 18 U.S.C. §§ 1341 and 1343, and that further constitutes "racketeering activity" within the meaning of 18 U.S.C. § 1961(1).

106. In furtherance of their scheme to defraud Inkombank, the Counterclaim Defendants also engaged in numerous instances of bank fraud involving Smith Barney and Chemical Bank, in that they knowingly executed a scheme to obtain moneys under the custody or control of a financial institution by false or fraudulent pretenses, representations, or premises, within the meaning of 18 U.S.C.§ 1344.

107. The same further constitutes "racketeering activity" as defined in 18 U.S.C. § 1961(1).

108. The Counterclaim Defendants also repeatedly violated 18 U.S.C. § 2314, which prohibits interstate or foreign transportation of more than $5,000 in stolen money. Upon information and belief, the Counterclaim Defendants knowingly funneled their stolen money to

various safe havens around the world. Such conduct constitutes a violation of 18 U.S.C. § 2314, and further constitutes "racketeering activity" as defined in 18 U.S.C. § 1961(1).

109. The Counterclaim Defendants also have violated 18 U.S.C. § 2315, prohibiting the knowing receipt of stolen money which has crossed state or national borders. Upon information and belief, on repeated occasions, the Counterclaim Defendants knowingly received the money stolen from Inkombank after it had crossed state and/or national boundaries. This conduct constitutes violations of 18 U.S.C. § 2315, and therefore, constitutes "racketeering activity" as defined in 18 U.S.C. § 1961(1).

110. The Counterclaim Defendants' racketeering activities, described above, were part of a common, interrelated, ongoing scheme in furtherance of the same goal, i.e., to defraud Inkombank. The Counterclaim Defendants' activities and their criminal acts were part of an ongoing scheme and formed a "pattern of racketeering activity" within the meaning of 18 U.S.C. § 1961(5).

111. The Counterclaim Defendants have used the income derived from their fraudulent conduct in the establishment and operation of the Enterprise within the meaning of 18 U.S.C. § 1962(a).

112. The Counterclaim Defendants have acquired and maintained control of Inkombank through a pattern of racketeering activity within the meaning of 18 U.S.C. § 1962(b).

113. The Counterclaim Defendants have conducted or participated in the affairs of Inkombank through a pattern of racketeering activity within the meaning of 18 U.S.C. § 1962(c).

114. Each of the Counterclaim Defendants agreed to commit the predicate acts alleged above in furtherance of their scheme to defraud Inkombank in violation of 18 U.S.C. § 1962(a), (b) and (c). In so doing, the Counterclaim Defendants violated 18 U.S.C. § 1962(d).

115. By engaging in the conduct described above, the Counterclaim Defendants violated the prohibitions of 18 U.S.C. § 1962(a), (b) (c) and (d). Inkombank has been and continues to be, injured in its business and property as a result of the Counterclaim Defendants' violation of 18 U.S.C. § 1962. Inkombank has been directly and proximately damaged by the Counterclaim Defendants' violations in a precise amount to be determined at trial, but believed to be in excess of $6,000,000, before trebling pursuant to 18 U.S.C. § 1964(c). Inkombank is further entitled to recover reasonable attorneys' fees and the costs of this action pursuant to 18 U.S.C. § 1964(c).

TENTH CAUSE OF ACTION

Section 487 of the New York State Judiciary Law

116. Inkombank repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth herein.

117. As heretofore alleged, at all times relevant, Zeltser was retained by Inkombank to act as its legal counsel, and until his discharge in February 1994, did so act. As also heretofore alleged, Counterclaim Defendants Alexander Fishkin and Anna Reid are licensed to practice law in New York State, and upon information and belief, their law firm, Fishkin & Reid, operates as Zeltser's alter ego.

118. By reason of the fraudulent and illegal conduct heretofore alleged, Zeltser, Fishkin, and Reid intentionally deceived Inkombank, and, with the assistance of the additional

Counterclaim Defendants, colluded to deceive Inkombank, in contravention of section 487 of the New York State Judiciary Law.

119. By reason of the fraudulent and illegal conduct heretofore alleged, Zeltser, Fishkin, Reid, and Fishkin & Reid wrongfully received money belonging to Inkombank in contravention of section 487 of the New York State Judiciary Law.

120. Inkombank has been directly and proximately damaged by said violations of section 487 of the New York State Judiciary Law in a precise amount to be determined at trial, but believed to be in excess of $6,000,000, before trebling pursuant to section 487 of the New York State Judiciary Law.

WHEREFORE, the answering Defendants Vinogradov and Inkombank demand judgment dismissing the complaint herein in all respects, and Defendant/Counterclaim Plaintiff Inkombank further demands judgment against each and every Counterclaim Defendant on its Counterclaims as follows:

1. On the First Cause of Action, in a precise amount to be determined at trial, but in no event less than $5,000,000;

2. On the Second Cause of Action, in a precise amount to be determined at trial, but in no event less than $5,000,000;

3. On the Third Cause of Action in a precise amount to be determined at trial, but in no event less than $5,000,000;

4. On the Fourth Cause of Action, in a precise amount to be determined at trial, but in no event less than $5,000,000;

5. On the Fifth Cause of Action, imposing a constructive trust on all monies stolen from Inkombank;

6. On the Sixth Cause of Action, in a precise amount to be determined at trial, but in no event less than $6,000,000;

7. On the Seventh Cause of Action, against Zeltser only, in a precise amount to be determined at trial, but in no event less than $6,000,000;

8. On each of the Eighth and Ninth Causes of Action, in a precise amount to be determined at trial but believed to be in excess of $6,000,000, the same to be trebled in accordance with law, plus all attorneys' fees and costs; and

9. On the Tenth Cause of Action, in a precise amount to be determined at trial but believed to be in excess of $6,000,000, the same to be trebled in accordance with law; and

10. Awarding Inkombank such other and further relief as this Court may deem just and proper, together with costs and disbursements of this action, including attorneys' fees.

Dated: New York, New York
March 16, 1995

CHRISTY & VIENER

By: _____
John F. Cambria
(J.C. 4098)

Attorneys for Defendant Vladimir Vinogradov and Defendant/Counter-claim Plaintiff Joint Stock Bank Inkombank
620 Fifth Avenue
New York, New York 10020
(212) 632-5500

Law Offices of
Emanuel E. Zeltser

a professional law corporation

Two Penn Plaza, Suite 1500
New York, New York 10121

tel 212-643-0109
fax 212-643-8254

DATED: February 9, 1995

TO: Vladimir V. Vinogradov, Chairman
Joint Stock Bank "INKOMBANK"
14/1 Nametkina Street,
Moscow, Russia, 117420

RE: [redacted] Esq. v.Joint Stock Bank INKOMBANK, Vladimir Vinogradov, [redacted] b6 b7C

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK
CASE No. 95 CIV. 0796

Dear Sirs,

Enclosed, please find a Summons and Complaint in the above captioned action. This service is made pursuant to Rule 4(f)(2)(A) of Federal Rule of Civil Procedure. Defendants are urged to consult with your attorney at once.

Уважаемые Господа,

К настоящему прилагается Судебная Повестка и Исковое Заявление в вышеназванном Судебном производстве. Настоящее юридическое вручение осуществляется согласно Статье 4(f)(2)(A) Федерального Процессуального Кодекса США. Ответчикам настоятельно рекомендуется безотлагательно связаться со своими адвокатами.

Very truly yours,

Law Offices of
Emanuel E. Zeltser

AO 440 (Rev 1/90) Summons in a Civil Action

United States District Court

SOUTHERN DISTRICT OF NEW YORK

JUDGE DUFFY

95 CIV. 0796

SUMMONS IN A CIVIL ACTION

[redacted] Esq.

V.

CASE NUMBER:

Joint Stock Bank INKOMBANK,
Vladimir Vinogradov, [redacted]

[redacted]

b6
b7C

TO: (Name and Address of Defendant)

Joint Stock Bank INKOMBANK,
Vladimir Vinogradov, [redacted]

[redacted] c/o INKOMBANK,

Russia Moscow 117420, Nametkina str. 14-1

YOU ARE HEREBY SUMMONED and required to file with the Clerk of this Court and serve upon

PLAINTIFF'S ATTORNEY (name and address)

Law Offices of Emanuel E. Zeltser,
2 Penn Plaza, Suite 1500,
New York, NY 10121
(212) 643-0109

an answer to the complaint which is herewith served upon you, within 30 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

FEB X6 1995

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JAMES

CLERK

DATE

BY DEPUTY CLERK

[redacted] Esq.
Two Penn Plaza, Suite 1500
New York, NY 10121
(212) 643-0109

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b7C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[redacted] Esq.

Case No. 95 Civ. 0796

Plaintiff,

COMPLAINT

v.

Joint Stock Bank INKOMBANK,
Vladimir Vinogradov, [redacted]

b6
b7C

Defendants.

Plaintiff [redacted] Esq., attorney duly admitted to practice before this Court appearing in the within action pro se ("Plaintiff"), complaining of defendants Joint Stock Bank INKOMBANK ("Inkombank"), Vladimir Vinogradov ("Vinogradov"), [redacted] says:

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JURISDICTION

1. At all times hereinafter mentioned, plaintiff [redacted] Esq., was and still is an attorney duly admitted to practice in New York and a resident of the State of New York.

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2. At all times hereinafter mentioned, defendant Inkombank was an alien corporation organized and existing under the laws of the Russian Federation, with its principal place of business in Moscow, Russia.

3. Upon information and belief at all times hereinafter mentioned, defendant Vinogradov was citizen and resident of the Russian Federation.

4. Upon information and belief at all times hereinafter mentioned, defendant Kouznetsov was citizen and resident of the Russian Federation.

5. Upon information and belief at all times hereinafter mentioned, defendant Zdrayevsky was citizen and resident of the Russian Federation.

6. Upon information and belief at all times hereinafter mentioned, defendant Koursikova was citizen and resident of the Russian Federation.

7. Upon information and belief at all times hereinafter mentioned, defendant Doudkin was citizen and resident of the Russian Federation.

8. Upon information and belief at all times hereinafter mentioned, defendant Egorycheva was citizen and resident of the Russian Federation.

9. Upon information and belief at all times hereinafter mentioned, defendant Ostryakova was citizen and resident of the Russian Federation.

10. Upon information and belief at all times hereinafter mentioned, defendant Shimkevitch was citizen and resident of the Russian Federation.

11. Upon information and belief at all times hereinafter mentioned, defendant Nagopetyantz was citizen and resident of the Russian Federation.

12. Upon information and belief at all times hereinafter mentioned, defendant

Preobrajensky was citizen and resident of the Russian Federation.

13. The amount in controversy in the above entitled action, exclusive of interest and costs, exceeds the sum of $50,000.00.

14. This Court has jurisdiction of this matter pursuant to 28 U.S.C., Section 1332.

PARTIES

1. Defendant Joint Stock Bank Inkombank ("INKOMBANK") is an entity licensed as a commercial bank under the laws of and domiciled in Russia. Defendant is one of the largest privately owned banks in Russia founded amid "perestrojka" in 1988. Upon information and belief, Inkombank is currently in the midst of a severe internal power struggle fueled by various Russian mob influenced groups who are fighting for control over Russian financial institutions, their depositors' funds and their international money transfer facilities.[1]

2. Plaintiff, in addition to being a New York attorney, is qualified as an attorney in the Commonwealth of Independent States. Plaintiff was born and educated in the former USSR and is fluent in Russian. Plaintiff was awarded the Honorary Degree of Doctor of Laws of Russia and is a US legal counsel to the Academy of Jurisprudence of Russia -- the highest institution of legal learning in the land, where plaintiff lectures to senior Federal Judges of the Russian Federation. A significant portion of plaintiff's practice consists of representing major Russian corporations, including Russia's largest commercial concerns. Plaintiff is one of the authors of "Trade & Commercial Laws of the Russian Federation. Official Codification", published by Oceana Publications, Inc., together with the Ministry of Justice of Russia and the University of Pittsburgh Law School.

[1]In 1993 a senior executive of Inkombank was killed execution style in St. Petersburg.

3. Defendants Vinogradov [redacted] b6 b7C ("Defendant Officers") at all relevant times were and, upon information and belief, still are [redacted] of defendant Inkombank .

4. Defendants [redacted] b6 b7C [redacted] are upon information and belief employees of defendant Inkombank ("Defendant Employees")

RELEVANT FACTS

1. On or about December of 1992, defendant Inkombank, retained professional services of plaintiff, and promised to pay the fair and reasonable value of such services and related out of pocket expenses. Plaintiff did in good faith accept retainer.

2. The scope of services required by defendant Inkombank was very wide and included specialized knowledge of both Russian laws and the laws of various Western jurisdictions as well as particular skills in properly servicing Russian based commercial entities which plaintiff possessed. It further involved extensive travel to Russia and other Eastern bloc countries as well as to Cyprus, Switzerland, England, Liechtenstein, and other countries, hence severely limiting plaintiff's ability to accept employment from other clients. Still further, because of organized crime infiltration in and pressure upon financial institutions in Russia plaintiff, upon accepting employment from defendant Inkombank, had to take special protective measures in order to ensure personal safety of plaintiff's personnel and other parties who rendered services to defendant Inkombank at plaintiff's request.

3. Plaintiff did in fact enter upon the performance of plaintiff's retainer and did render professional services to defendant Inkombank and incurred out of pocket expenses relative

thereto.

4. As of February 22, 1994, the fair and reasonable value of such services was $474,612.00 and the aggregate total amount of related out of pocket expenses was $209,251.61 both services and expenses amounting to a total of $683,863.61 (six hundred eighty three thousand eight hundred sixty three dollars and sixty one). The bills for services rendered and out of pocket expenses were submitted to defendant Inkombank, but no part of it was paid, except $68,000.00 leaving a balance due and payable from defendants to plaintiff of $$615,863.61 (six hundred fifteen thousand eight hundred sixty three and sixty one), demand for which has been duly made, but no part thereof paid.

5. On or about July of 1993, defendant Inkombank sold 40% of its stock, which represented a controlling interest of Inkombank, for the aggregate price of US$40,000,000.00 (forty million dollars). At the request of defendant officers, plaintiff on occasion rendered legal advice to persons who purchased Inkombank's stock ("Shareholders") and their personal representatives, subsequent to the purchase. Although at the time there appeared to be no conflict between defendant officers and shareholders, on or about January of 1994 a severe conflict appeared to develop between shareholders and defendant officers, the former alleging various improprieties on the part of defendant officers, and further alleging the influence of organized crime upon defendant officers.

6. Defendant officers demanded that plaintiff unequivocally "take their side" in the conflict and further demanded that plaintiff assist defendant officers in acts which plaintiff considered unlawful and/or unethical with regard to shareholders and third parties, and further reasonably believed that the actions of defendant officers were violative of defendant

officers' legal obligations to defendant Inkombank as an organization. Plaintiff further reasonably believed that defendant officers may have been in violation of laws which could reasonably be imputed to defendant Inkombank, and were likely to result in substantial injury to defendant Inkombank as an organization. Plaintiff, in an effort to minimize disruption to the business of defendant Inkombank, and further in an effort to minimize the risk of revealing information relating to legal representation to persons outside of defendant Inkombank, inter alia requested of defendant officers to re-consider their intentions and acts, and further suggested that defendant officers seek legal consult of other counsel (such as Fulbright & Jaworsky, whom defendant Inkombank retained) with regard to their acts and intentions. Defendant officers refused and insisted upon their demands on plaintiff.

7. Defendant officers demanded, inter alia, that plaintiff turn over to defendant officers documents, which defendant officers believed were in plaintiff's possession, and which belonged to shareholders, including, inter alia, the original documents evidencing shareholders' equity in defendant Inkombank, i.e. share certificates, stock purchase agreements, etc. Plaintiff advised defendant officers that the forementioned documents were not in plaintiff's possession, however, even if plaintiff were in such possession, plaintiff, under the circumstances, would have declined to turn them over to defendants absent shareholders' consent. Defendant officers thereupon threatened plaintiff that in the event plaintiff did not so "accommodate" defendant officers, defendant officers would persecute plaintiff and would cause harm to plaintiff, and would publish false information to plaintiff's clients and associates, and further make false complaints about plaintiff, and accuse plaintiff of embezzlement, and cause harm to plaintiff in other ways. Thereupon plaintiff advised

defendants that plaintiff may not properly remain defendant Inkombank's counsel.

8. Immediately thereafter defendant officers did in fact conspire by and amongst themselves and further conspired with defendant employees to engage in a malicious campaign to discredit and to degrade plaintiff and plaintiff's work on behalf of the defendants, and to persecute plaintiff so as to cause harm to plaintiff. In carrying out the forementioned wrongful deeds, defendants

(a) failed and refused to pay plaintiff' fees and direct costs;

(b) engaged in all-out campaign of disparaging plaintiff's good name and reputation by publishing to third parties, including, inter alia, plaintiff's clients and employees, malicious lies about plaintiff, tending to prejudice recipient in plaintiff's reputation, community standing, business, profession and means of livelihood;

(c) tortiously engaged in wrongfully and secretly inducing plaintiff's employees, and/or contractors to leave plaintiff's employ and to enter into the employ of defendants promising them high salaries and other perks, and further engaged in offering plaintiff's employees and contractors payoffs for supporting defendant officers' defamatory campaign against plaintiff, and further for giving false testimony in any legal proceedings which plaintiff would bring against defendants to recover fees and costs, and recover for damages caused by defendant officers' tortious and malicious conduct;

(d) while having knowledge of plaintiff's business relationships with various third parties, including bankers, clients and others under which the plaintiff had legal rights, intentionally and unjustifiably interfered with such relationships with intent to

cause breach thereof, so as to inflict harm upon plaintiff;

(e) engaged in direct harassing and intimidating; including inter alia making threats of physical violence against plaintiff and plaintiff' employees and associates.

9. Upon information and belief, defendant Inkombank is currently controlled or influenced by a Russian mob linked faction. Plaintiff at this time is not certain whether defendant officers currently act on their own volition, or are coerced into committing the wrongful deeds but, in any event, plaintiff is owed by defendant Inkombank for services rendered and expenses incurred, and further is entitled to recover for damages caused by the forementioned injurious conduct by defendant officers.

FIRST CLAIM FOR RELIEF: DEFAMATION

1. Plaintiff repeats and reiterates the allegations set forth in "JURISDICTION", "PARTIES" and "RELEVANT FACTS" as though set forth at length herein.

2. Defendant officers made intentional and false communications both verbally and in writing. Such communications were made by defendants to third parties including plaintiff's clients, business associates, contractors, suppliers and others. These communications were intended to injure plaintiff's reputation and to diminish the respect, esteem, goodwill, and confidence which plaintiff enjoyed, and further were intended to excite derogatory and unpleasant feeling or opinion of plaintiff in the recipient, and were further intended to deter third parties from associating with plaintiff.

3. Plaintiff is not a public official or a public figure, and the defamatory statements published or spoken by defendant officers to third parties were not so published or spoken under any privilege afforded or protected by law.

4. Defendant officers' defamatory statements were unequivocally injurious and actionable per se, and were such as to trigger presumption that such statements must actually, necessarily, and proximately damage plaintiff, and were of common notoriety by the general consent of men necessarily importing damage, including imputation of commission of crime and further affecting plaintiff's profession, and included, inter alia:

(i) On January 25, 1995, defendant Inkombank forwarded a letter to [redacted] of the Academy of Jurisprudence of Russia (as mentioned supra plaintiff is a US legal counsel for the Academy) which stated, inter alia, *"certain contacts with* [redacted] *showed that he allowed himself to engage in conduct incompatible with the status of an attorney at law (failure to provide documents upon demand, forging of signatures, letters, etc.)";* b6 b7C

(ii) On or about April of 1994, and at various times thereafter, defendant [redacted] stated to one [redacted] that plaintiff embezzled defendants' funds and property; b6 b7C

(iii) On or about June of 1994, defendant [redacted] stated to one [redacted] that plaintiff embezzled $8,000,000 of defendants' funds and further stated that plaintiff' was incompetent and his "rating" as attorney "was very low"; b6 b7C

(iv) On or about August of 1994, defendant Vinogradov stated to one [redacted] that plaintiff embezzled or assisted others to embezzle $4,900,000 and further stated that plaintiff, in the course of legal representation of defendants, favored and/or in fact "represented" a third party whose interests were adverse to the interests of defendants; b6 b7C

(v) On or about April of 1994 defendant [redacted] stated to one [redacted] that plaintiff was incompetent as attorney, and further stated that he intended to publish this statement to other third parties. b6 b7C

5. As a result of such tortious and malicious acts per se by defendant officers plaintiff is entitled to general damages irrespective of harm, but in no event less than 5,000,000.

SECOND CLAIM FOR RELIEF:
NON-PAYMENT FOR PROFESSIONAL SERVICES RENDERED

1. Plaintiff repeats and reiterates the allegations of the previous claim for relief,

"JURISDICTION", "PARTIES" and "RELEVANT FACTS" as though set forth at length herein.

2. Defendant Inkombank retained professional services of plaintiff and promised to pay the fair and reasonable value of such services and related out of pocket expenses.

3. Plaintiff did in good faith accept the retainer.

4. Plaintiff did in fact enter upon the performance of retainer and did render professional services to defendant Inkombank and incurred out of pocket expenses relative thereto.

5. The fair and reasonable value of such services and expenses is $683,863.61 (six hundred eighty three thousand eight hundred sixty three and sixty one). The bills for services rendered and out of pocket expenses were submitted to defendant Inkombank, however, only bills for $68,000 (sixty eight) have been paid leaving a balance due and payable by defendants Inkombank to plaintiff of $615,863.61 (six hundred fifteen thousand eight hundred sixty three and sixty one), demand for which has been duly made, but no part whereof paid.

THIRD CLAIM FOR RELIEF: BOOK ACCOUNT

1. Plaintiff repeats and reiterates the allegations of the previous claims for relief, "JURISDICTION", "PARTIES" and "RELEVANT FACTS" as though set forth at length herein.

2. There is due from defendant Inkombank and defendants Vinogradov [redacted] b6 b7C [redacted] on a certain book account the sum of $615,863.61 (six hundred fifteen thousand eight hundred sixty three and sixty one), demand for which has been duly

made, but no part whereof paid.

FOURTH CLAIM FOR RELIEF: QUANTUM MERUIT

1. Plaintiff repeats and reiterates the allegations of the previous claims for relief, "JURISDICTION", "PARTIES" and "RELEVANT FACTS" as though set forth at length herein.

2. Plaintiff sues the defendant Inkombank for the reasonable value of services provided by plaintiff to defendants upon plaintiff's expectation to receive reasonable remuneration for same.

3. Payment has been demanded and not made.

FIFTH CLAIM FOR RELIEF:
PROFESSIONAL SERVICES RENDERED

1. Plaintiff repeats and reiterates the allegations of the previous claims for relief, "JURISDICTION", "PARTIES" and "RELEVANT FACTS" as though set forth at length herein.

2. Plaintiff sues defendant Inkombank for professional services rendered by plaintiff to the defendant.

3. Payment has been demanded but failed or refused.

SIXTH CLAIM FOR RELIEF:
INDEMNITY AND CROSS GUARANTEES

1. Plaintiff repeats and reiterates the allegations of the previous claims for relief, "JURISDICTION", "PARTIES" and "RELEVANT FACTS" as though set forth at length herein.

2. On or about December 1992 and at various times thereafter, defendant Inkombank and defendant officers agreed on several occasions to indemnify plaintiff, plaintiff's employees, agents, servants, attorneys, administrators and assigns and to save them harmless, from any and all claims, actions or causes of actions of whatsoever nature, arising out of plaintiff's work for and on behalf of defendants. Among others, defendant Inkombank executed an Agreement dated on June 18, 1993, which provided in relevant part:

"To induce third parties, who provided assistance in negotiating and executing this agreement, and/or will or may assist in administering or carrying out this Agreement or any of the terms thereof (hereinafter "INTENDED BENEFICIARIES") and/or acted as attorneys in fact or in law, or rendered advice, or acted in any capacity of whatsoever nature with regard to this Agreement or in the within transaction, including without limitation Management Consultant and Investment Banker, parties agree to indemnify such Intended Beneficiaries, their employees, agents, servants, attorneys, administrators and assigns and to save them harmless, and to lease and discharge such Intended Beneficiaries from any and all claims, actions or causes of actions of whatsoever nature, arising directly or indirectly, or in any way related to or touching or concerning the within Agreement or the within transaction; and specifically, without limitations wave any claims as regards the conflict of interests on the part of any agent, attorney in fact or in law, consultant, broker or custodian."

Further, the minutes of the Meeting of defendants Vinogradov, [redacted] b6 b7C [redacted] provided in relevant part:

"Partners shall indemnify [redacted] Esq., [redacted] agents and anyone else acting at his request from any and all claims of Inkombank and/or any third parties pertaining to his acting on behalf of partners and Regal-V World-Wide Holdings."

3. As a result of plaintiff's work for and on behalf of defendants, plaintiff has been exposed to actual and to potential liability from third parties. In addition, defendant Inkombank made various claims against plaintiff related to plaintiff's work for and on behalf of defendant officers, and further engaged in conducting extensive investigative inquiries into various matters pertaining to plaintiff's work for and on behalf of defendant officers, thus forcing plaintiff to engage in responding to various inquiries, and otherwise unwillingly

participating in the process of defendant Inkombank's investigative mission, and to expend a significant amount of time and to expend vast sums of money in so doing. As a result of plaintiff's participating in the forementioned inquiries plaintiff was forced to expend vast number of hours of attorney and paralegal time, and was further forced to expend various monies in protecting plaintiff from potential liability.

4. As a direct and proximate cause of plaintiff's work for and on behalf of defendants, plaintiff suffered and so continues to suffer damages, the amount of which is still being ascertained, but in no event less than US$ 5,000,000 and was further exposed to potential liability, the precise extent of which is not currently known.

5. Defendant Inkombank and defendant officers agreed to be mutually, jointly and severally responsible for performance of one another under the agreement with plaintiff, and promised to answer for all debts, defaults or miscarriages of one another.

6. Plaintiff demanded that defendant Inkombank and defendant officers indemnify plaintiff, and further, demanded that defendants fulfill their obligation to answer for one another, but defendants failed or refused to do same.

SEVENTH CLAIM FOR RELIEF:
TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIP

1. Plaintiff repeats and reiterates the allegations of the previous claims for relief, "JURISDICTION", "PARTIES" and "RELEVANT FACTS" as though set forth at length herein.

2. Defendant Inkombank and defendant officers intentionally and unjustifiably interfered with such relationships causing breach thereof.

3. Defendants knew or should have known of plaintiff's business relationships with various

third parties, including bankers, clients and others under which the plaintiff had legal rights.

4. As a result of the foregoing tortious acts, plaintiff sustained and so continues to sustain damages, the amount of which is still being ascertained, but in no event less than US$7,500,000.

WHEREFORE, plaintiff demands judgment (a) against the defendant Joint Stock Bank "Inkombank" and defendant officers for the entire amount in controversy to be proven by plaintiff at the trial, on all claims for relief, together with all lawful interest and costs of suit, reasonable attorneys fees; and further demands, that (b) defendant officers indemnify plaintiff from any and all claims of defendant Inkombank, including, inter alia, reimbursing plaintiff for any and all time which plaintiff may be forced to expend with regard to any claims or actions by defendant Inkombank against plaintiff; and still further demands, that (c) defendant Inkombank and defendant officers indemnify plaintiff from any and all claims and losses, which plaintiff may suffer in the future stemming from plaintiff's work for and on behalf of defendants; and further demands punitive damages for defendants' actual malice in the discretion of this Court, and for such other relief as may be just and equitable under the circumstances.

Plaintiff demands jury trial on all claims for relief.

Respectfully submitted,

[redacted] **Esq.**
Attorneys at Law appearing pro se
Two Penn Plaza, Suite 1500, New York, NY 10121
tel. 212-643-0109 fax 212-643-8254

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by: [redacted]
[redacted] Esq.

Dated: New York, New York, February 2, 1995